

A network graphic background consisting of a dark blue field with a complex web of white lines connecting small white circular nodes. The nodes are distributed across the field, creating a sense of interconnectedness and digital structure.

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Preamble



Frank Siepmann
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New products or services, changes in the legal framework or changes in digital change - these are just some of the topics that have a significant influence on the success or failure of companies today. In order for companies to meet these challenges, the skills of their employees play a central role. After all, even the best new product can become a shelf warmer if sales cannot convince customers and potential customers of its advantages.

Competences and core competencies can make a decisive contribution to the success of a company. And like any important resource, employee competencies must be properly managed and developed. What competencies are required? What competencies do your employees have and how can they be systematically determined? How can one react to competence gaps? These and many other questions were addressed for the first time in the first own partial study „Competence Management“ in the context of the eLearning BENCHMARKING Study 2018. The present evaluation offers an up-to-date insight into the dissemination and use of competence management in the German-speaking world.



Estelle Milo
Marketing Director
CrossKnowledge

Digital transformation requires innovation, which means continuous adaptation and training, and new challenges for modern organizations and their workforces. In addition to digital transformation, the age spectrum of the generations working together today has never been greater. Therefore, today's HR development increasingly needs to ensure that employees are satisfied with the learning opportunities and encourage them to design their development to meet both personal and organizational goals.

This year's benchmarking study does not question the competence development of companies, as the topic is no longer a novelty for organizations. Rather, the aim is to draw up an industry and company comparison in which the degree of competence management and the necessary need for further training is to be shown. The available statistics should serve all stakeholders as a basis for the planning and implementation of training strategies, continuous learning and the associated technologies and, last but not least, stimulate a discussion about investing in the right competencies of employees and managers.

We hope you enjoy reading this study.

Summary

Competence management is currently already in use in just over 40% of the companies surveyed, a figure that is expected to rise sharply in the coming years. More targeted training and continuing education, more effective use of existing skills in the company and early detection of skills gaps are becoming increasingly important. Reasons against the use of competence management are primarily insufficiently recognizable relevance and a lack of personnel and financial resources.

The results of the eLearning BENCHMARKING Study 2018 have also shown that, in the opinion of the study participants, the need for competence development is high so that companies can ensure that their employees can continue to keep pace with the demands of their profession in the future.

In order to develop the skills of their employees, companies still rely heavily on face-to-face seminars. However, e-learning, digital learning and blended learning also play an important role. In addition, the use of personal coaching in competence development is widespread. Above all, company-specific as well as leadership and management competencies are trained. Digital competencies also play an important role in the meantime.

Human resource development in digitization

Dissemination

62.4 % of companies with more than 25,000 employees already use competence management.

Demand determination

62.9% of companies surveyed rely on continuous evaluation of employees by their managers

Skills development

47.9 % of the study participants stated that employees need on average between 3 and 6 months to master a new competence.

Recruitment

65.3% of companies surveyed rely on informal evaluation to ensure that applicants have the skills they need.

Dissemination, experience and obstacles

The competencies of the employees represent an important resource and can decisively influence the success or failure of a company. For this reason, it is important for companies to ensure that the required competencies are adequately covered in-house, as well as to determine and develop the potential of their own workforce as accurately as possible. In order to master these challenges, there is the approach of competence management. But how widespread is competence management in the DACH region? And what speaks for and against the use of this approach? These questions will be addressed in the following chapter.



The spread of competence management is increasing rapidly

The competencies and in particular core competencies of a company can represent a decisive competitive advantage over its competitors. But what are the core competencies of the company? What competencies do the employees have? Can competence gaps be identified and closed through recruitment and personnel development? In order to be able to answer these and similar questions, companies use competence management, in the framework of which the required competences of a company are defined, the competences of the employees are determined and made visible and the use and development of the competences are ensured. Thus, competence management can contribute to the achievement of corporate goals. Despite this supposed potential, competence management does not yet seem to be applied in the majority of German-speaking companies, at least this is shown by the results of the eLearning BENCHMARKING Study 2018. According to the survey, less than half of the companies surveyed (42.5%) already practice competence management. A further 26.5 % of the study participants stated that the use of competence management is currently planned. In contrast, at 31%, around one-third of respondents felt that the topic was not relevant either now or in the next few years.

SMEs lagging behind

If the spread of competence management is linked to the size of the company, a clear trend emerges. Companies with more than 25,000 employees use competence management at an above-average rate of 62.4%.

At the other end of the spectrum, the distribution in medium-sized companies with less than 500 employees

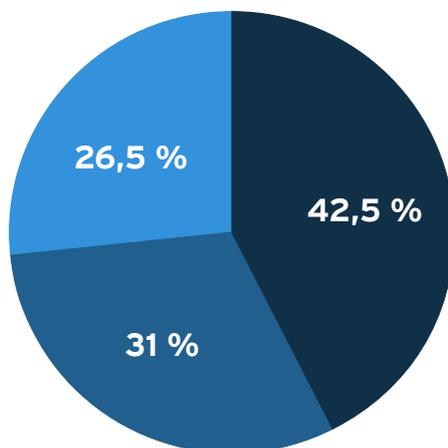
(30.5 %) and 500 to 1,000 employees (36.4 %) is well below average. If, however, the companies planning to use competence management in the future are added to these values, this picture becomes relative with one exception. Only companies with 500 or fewer employees, with a value of 53% for the current and planned use of competence management, lag well behind the other sizes of company, which otherwise achieve comparable values of 70.8% to 76.4%.

These results suggest two fundamental considerations. On the one hand, large companies with more than 25,000 employees seem to be a little ahead of the other companies when it comes to competence management. Should the plans in this area, which the results of the eLearning BENCHMARKING study 2018 suggest, prove to be true, then the spread of competence management within the German-speaking economy could largely come about. The exception, however, seems to be small and medium-sized enterprises with less than 500 employees. This discrepancy is interesting because competences in this target group should not play a significantly less important role. After all, SMEs are often highly specialised and are often among the world market leaders in their field of business.

Use of competence management according to industries

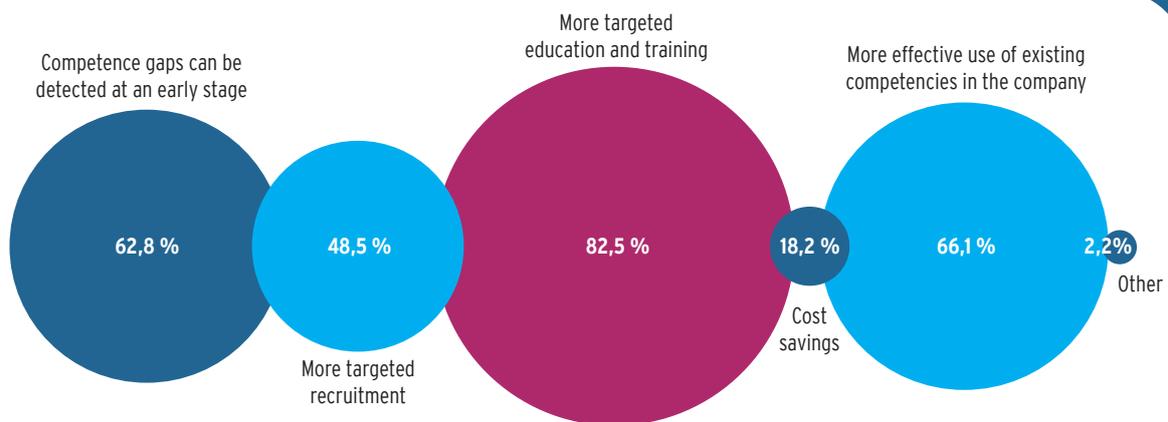
However, not only the size of the company, but also a look at the industry reveals some significant differences in the use of competence management. Accordingly, the resource sector (52.6 %) and the information and communications sector (51.7 %) rely more than

Dissemination of competence management in companies



- Competence management is practiced
- No competence management is practiced
- The practice of competence management is planned

Reasons for the use of competence management



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n=274

Question: Why does your company practice competence management?
(multiple answers were possible)

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average on competence management. At 38.1%, public administration is the lowest, confirming the trend of previous eLearning BENCHMARKING studies, according to which public administrations generally lag behind other sectors in personnel development and, in particular, eLearning topics. However, public administrations are among the study participants among whom the planned use of competence management is particularly high at 35.7%. If one considers both the current and the planned use of competence management, then public administrations could even be among the top performers in the future, because only the manufacturing industry as well as the health and social services achieve higher values with 74.2% and 75.5% respectively.

Surprisingly, the financial and insurance sector has the lowest comparative value, as only 61.7% of the companies surveyed in this sector stated that competence management is either already in use or is planned to be used in the future. On the one hand, the financial and insurance industries are heavily regulated and employees must be able to use and implement regulations and legal requirements in a secure manner.

In addition, digitalization has a profound impact on this industry, which is why, in addition to the corresponding technical infrastructure, the digital competencies of employees should be an important success factor.

Reasons for the use of competence management

The results of the eLearning BENCHMARKING Study 2018 so far have shown that the topic of competence management is on the advance across industries and company sizes almost everywhere and will probably be used in the majority of German-speaking companies in

the coming years. But what are the concrete advantages that companies expect from this topic?

The most important reason for using competence management, with 82.5% of respondents being proud of the results, is more targeted training and continuing education. Other important arguments in favour of competence management from the point of view of the companies surveyed are a more effective use of existing in-house competences (66.1%) and early detection of competence gaps (62.8%). For just under half of the study participants, a more targeted personnel recruitment/recruitment (48.5%) is another common argument for competence management.

On the other hand, cost savings play a largely subordinate role, which were only cited as a reason in 18.2% of the cases.

This result is interesting because costs or cost savings over the last years of the eLearning BENCHMARKING study are usually among the most important arguments in favor of or against the use of certain technologies or approaches.

Insufficient relevance and resources speak against competence management

Even if in the future the majority of companies surveyed think about using competence management, around one third of those companies remain in which the topic will not play a role either now or in the future. The motivations of these companies were also addressed in the 2018 eLearning BENCHMARKING study.

A common hurdle for the use of competence management from the point of view of the companies surveyed

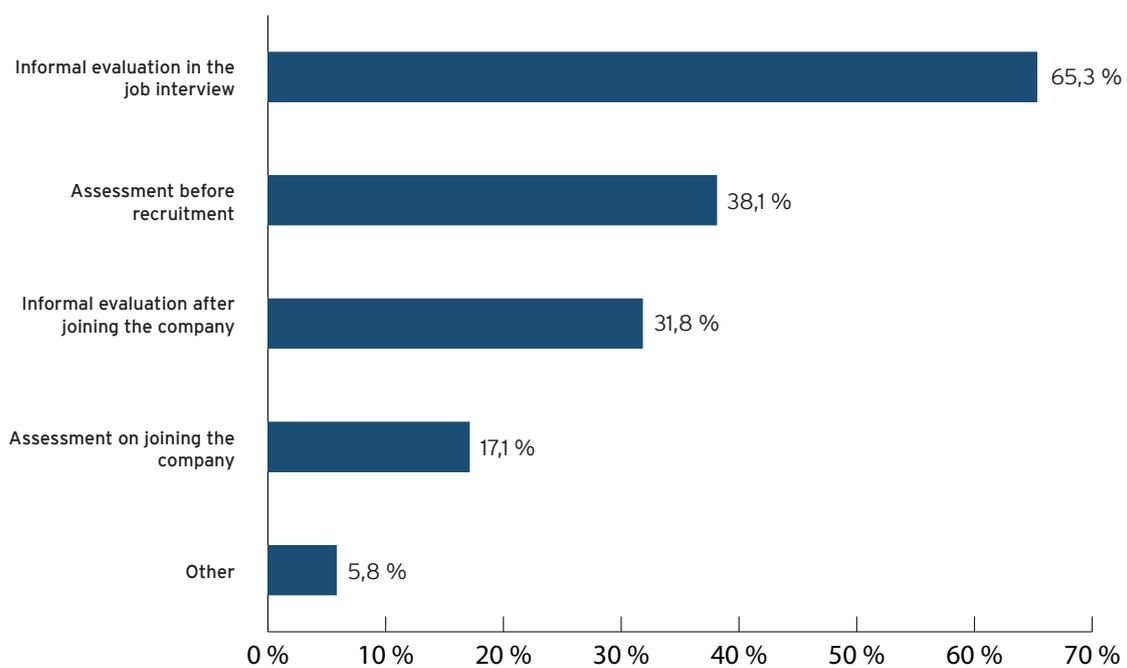
is the relevance of the topic. As many as 39,5 % of the study participants stated that there was no evidence of sufficient relevance to justify the use of competence management in their company.

In addition, concerns about management (19,5 % mentions) and operations (15,5 % mentions) play a role, although the concerns of these two stakeholders only seem to be decisive in a minority of the companies surveyed.

Another reason often mentioned by the study participants themselves was the lack of resources to both in-

roduce and maintain competence management in the company. In particular, the fact that no relevance for the use of competence management is discernible for important stakeholders seems to lead to insufficient resources being made available for the topic, which in turn ties the hands of the personnel department, even if it wants to use at least a rudimentary competence management.

Methods to ensure that employees have the skills they need



Competence development

Once the required competencies and core competencies have been defined, the next challenge is to identify existing competencies and close current and future gaps. But how do companies deal with competence gaps? What are the consequences for personnel recruitment on the one hand and the further training of existing employees on the other? The following chapter provides answers to this question.



Managers play a central role in determining requirements

A central aspect of competence management is the determination of the existing competences of one's own workforce. This process is made even more difficult by the fact that a one-off survey of competences is not sufficient. Technical developments, new business models and a generally shorter half-life of knowledge mean that the demands placed on employees are constantly changing and, accordingly, it must be regularly evaluated whether the existing competencies still match the required targets. But how do companies actually determine the requirements for the competence development of their employees?

The managers play the leading role in this determination of demand, as at least the figures of the eLearning BENCHMARKING study 2018 show. 62.9 % of the companies surveyed continuously evaluate the competencies of their employees by their superiors. In addition, around one fifth of the study participants (20.3%) stated that the competencies of employees in their company were evaluated with the help of a learning platform. On the other hand, the determination of requirements by means of tests and/or questionnaires is scarcely widespread.

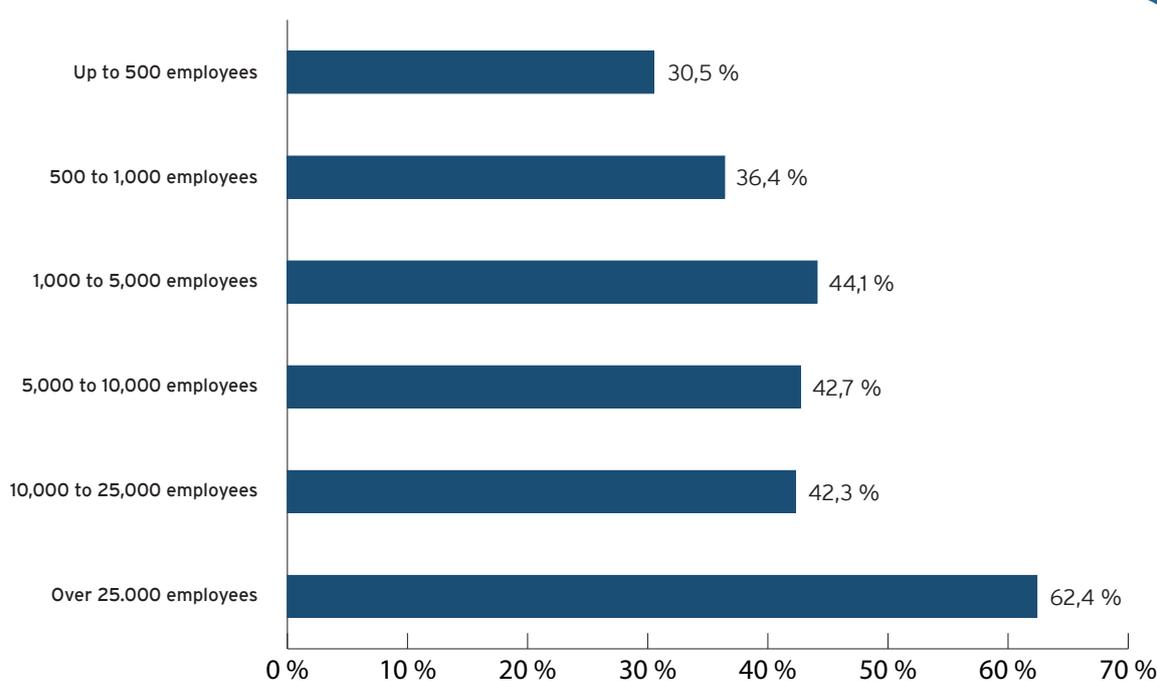
Such an evaluation is used selectively (e.g. once or twice a year) in 13% of the companies surveyed, while only 5.4% regularly rely on tests or questionnaires.

The feedback from the study participants clearly shows that the annual employee appraisals continue to dominate in everyday business life. In the course of the appraisal interview, the competencies and development needs of the employees are discussed in a more or less well-structured way and, if necessary, a development plan for the coming year is drawn up.

Demand for competence development is high

All in all, the determination of requirements for the competence development of employees often appears largely unstructured. In the opinion of the study participants, the need for competence development actually seems to be very high. As many as 38.9% of the study participants assume that over 50% of their employees have to develop their skills in order to keep pace with the demands of their profession in the future. In contrast, a clear minority of 8 % of the study participants estimated this percentage to be less than 20 %.

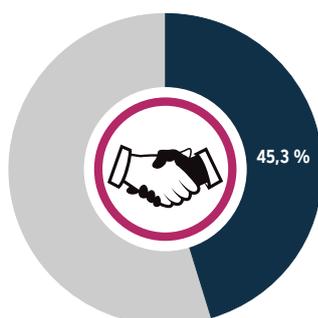
Use of competence management according to company size



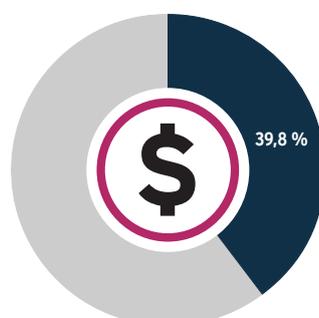
Conversely, these figures mean that at 53.2%, just over half of those surveyed said that the percentage of employees who need to develop their skills was between 20% and 50%.

A surprising result emerges when one compares the assessments of competence development with the use of competence management. Because 44.3% of the study participants, whose companies say they have not yet implemented competence management, estimate that more than 50% of the employees have to develop their skills in order not to lose the connection. This result suggests the assumption that in companies without competence management the need for this approach would exist.

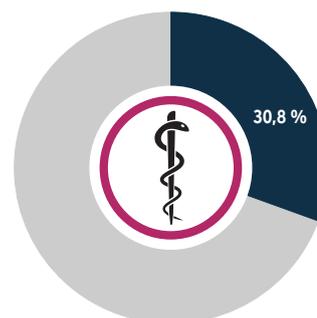
Clear differences in the need for competence development can also be seen when looking at the sectors. The study participants from the information and communications sector (59.4%), public administrations (48.8%) and the service sector (45.3%) particularly often stated a need for skills development for 50% or more of the workforce according to their own estimates. On the other hand, the lowest comparative figures were for health and social services (30.8%) and manufacturing (28.6%). The particularly high value of the information and communications sector could be due to rapid technological development, which in turn could result in constant pressure on employees to adapt. In comparison, once acquired, skills in manufacturing, health and social work appear to have a longer half-life. An interesting question for the coming years could be whether and to what extent the need for skills development, especially in the manufacturing sector, could change as a result of digitization.



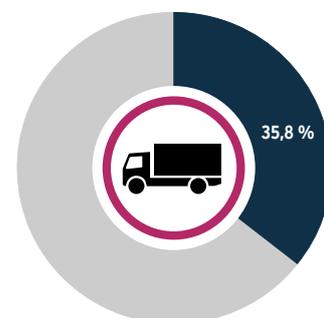
Services and support



Financial and insurance services



Health and social services



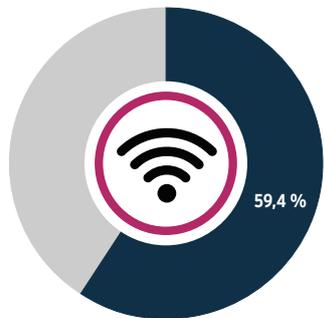
Trade, transport and logistics

Training needs for company-specific competencies are highest

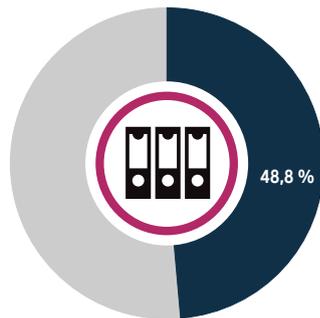
So, if the demand for competence development is quite high overall, the question arises as to which competences companies need to train concretely on a regular basis. According to the eLearning BENCHMARKING 2018 study, 65.4 % of the respondents said that the specific competences for the company must be trained particularly frequently. There is another major need for training, with 57.5% of respondents citing management and leadership skills.

According to the study participants, training in sales and marketing skills (44%) and digital skills (41.3%) is almost equally frequent. If one considers that the competences of sales have a direct influence on the success of a company, the comparable training expenditure for digital competences shows how important they already seem to be for the companies surveyed. Finally, language skills are much less important, with 23.6% of respondents mentioning them.

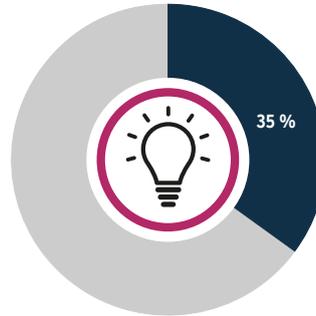
Skills development needs by industry



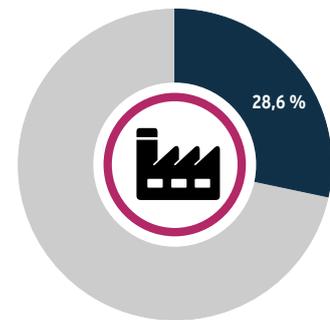
Information and communication



Public administration



Resourcing



Manufacturing industry

Seminars dominate competence development

Nowadays, a whole range of different methods are used within the framework of in-company training. But which of these methods do companies use specifically for competence development? The results of the eLearning BENCHMARKING Study 2018 provide answers to this question.

As a result, seminars continue to be used almost across the board to develop employees' skills, with 87.8 % of the respondents citing seminars. At 69.5 %, e-learning and digital learning are still used to develop competencies, albeit by a slight margin and still very widely used. Blended learning, i.e. the combination of classroom training and eLearning, is used by 53.4% of the companies surveyed.

In addition, companies also seem to make regular use of personal coaching for competence development (60 % mentions). The comparatively high prevalence is no surprise in that coaching is often used as an accompanying measure to another me-

thod, e.g. as a supplement to a classroom training. In addition, coaching is often used in the context of management training, a need for competence development which, according to the eLearning BENCHMARKING study 2018, has been identified in German universities as a key factor in the development of new skills.

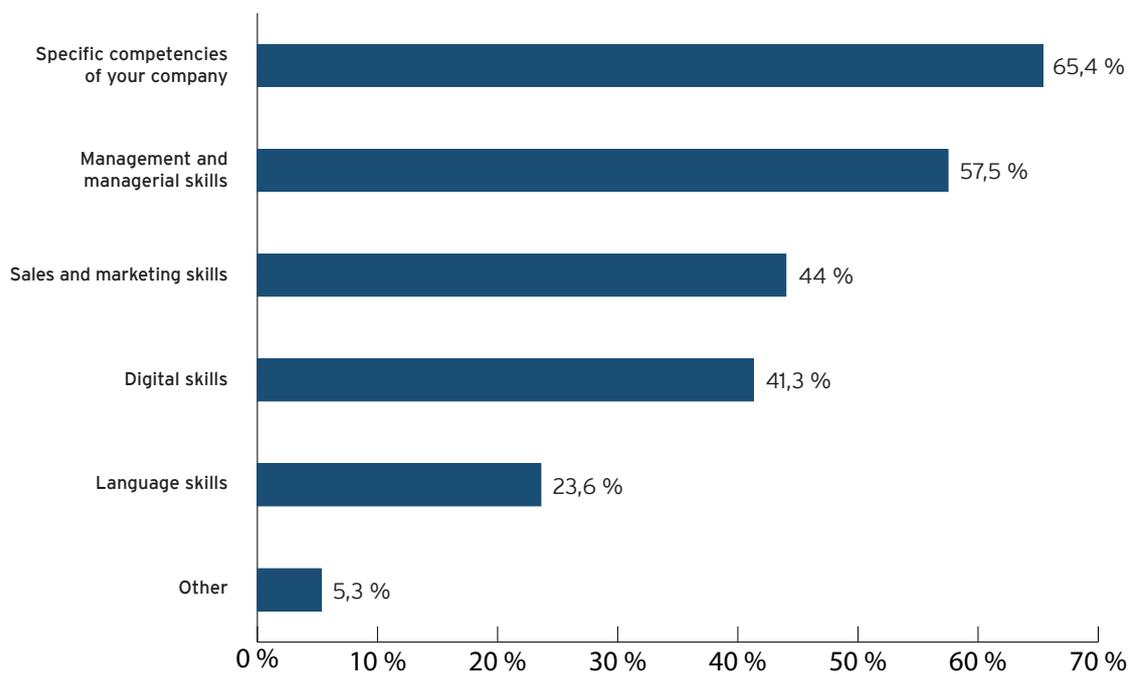
Long-term training success

In general, the long-term anchoring of knowledge and the transformation of knowledge into competences represent a major challenge in in-company training. At the end of a seminar or a course unit, there is usually a maximum of one final test in everyday practice, which one has to pass to obtain a certificate, for example. However, just because an employee has passed a test following a learning measure does not mean that he or she really remembers the knowledge he or she has acquired in a week or a month. So how do companies try to measure the long-term success of their training?

According to the study participants, employee appraisals, both with the supervisor and with the trainer, are the most widespread method of communicating the success of training measures, accounting for 65.4% of the responses. This value underlines once again how important superiors are in the development of employee competencies. From the determination of requirements to the preparation of development plans to training measures, superiors seem to play a central role in the competence management of companies.

Another common method of assessing the long-term success of training is to provide direct feedback to learners. With 51% of respondents mentio-

Need for competence management



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n=755

Question: Which competences need to be trained most frequently in your company?
(multiple answers were possible)

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ning e-mails, forums and online forms, almost half of the companies surveyed used them for evaluation purposes.

The mandatory final tests with a certificate immediately after a learning measure, mentioned at the beginning, are also still used comparatively regularly, with 34.3% of respondents mentioning them.

This comparatively high value is not surprising, because this procedure is quite common in German-speaking companies, however, this approach is actually only used to query short-term knowledge. A much more accurate picture of the long-term success of a training measure is actually provided by time-shifted tests, but this method does not seem to be very popular among the companies surveyed. Because only 8.6 % of the study participants stated that tests or examinations with a time lag are used in their company, e.g. one month after a training measure.

Ultimately, training measures are usually successful if the employees are able to put the new knowledge into practice or use it in their daily work. For this reason, 14.4 % use a completely different evaluation approach, in which the contribution to the success of the company such as increased sales figures or an improved service (balance

scorecard) is used to assess the success or failure of training measures. On the one hand, this approach has the advantage that the long-term benefit of a learning measure can be determined much better than, for example, a test.

On the other hand, the effort is significantly greater and it can be difficult to really assign changes in key figures to a specific training measure.

Looking at the results to date, it is not surprising that 11.5% of the companies surveyed say they have not yet found a suitable and resilient methodology to determine the long-term success of training measures.

Alternative to competence development: Recruitment

In addition to developing the skills of its own workforce, the recruitment of new employees is another effective tool for acquiring the required skills. Through the targeted selection of applicants, the personnel department can close competence gaps and thus make an important contribution to competence management.

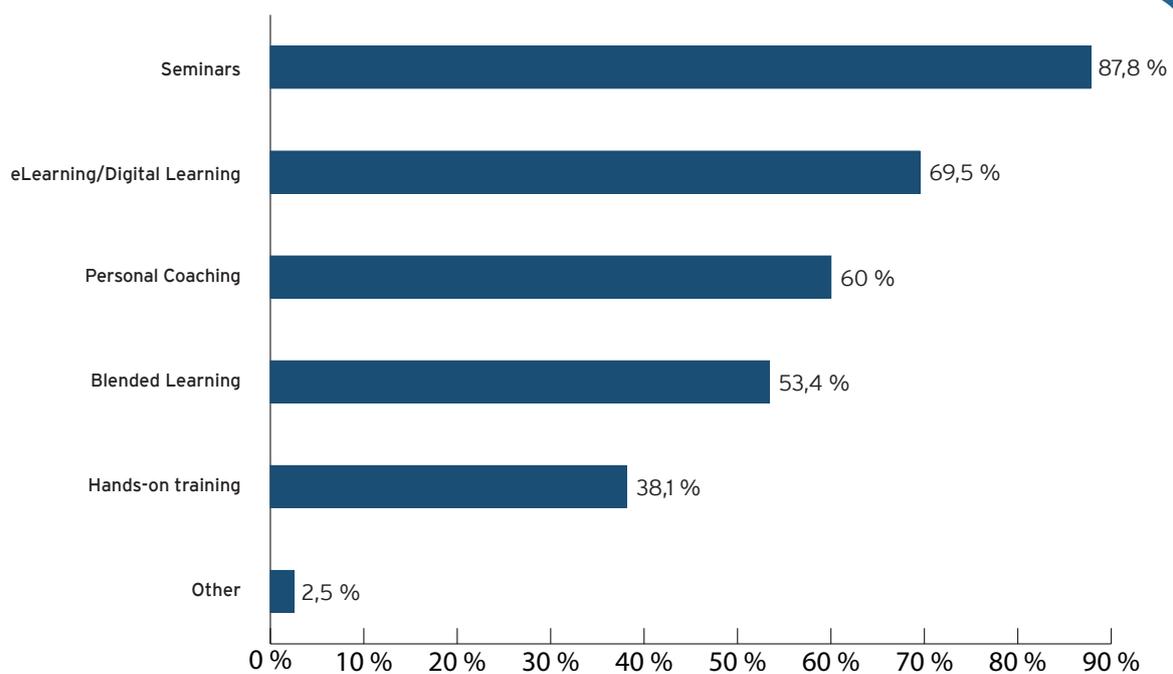
In order to be able to assess and evaluate the competencies of the applicants, the clear majority of

the interviewed companies (65.3%) relies on an informal evaluation in the job interview. In addition, the use of an assessment procedure before recruitment is more structured, which, according to the study participants, 38.1% of the companies use.

But even after joining the company, the competencies of new employees seem to be evaluated.

In this case, too, the informal evaluation, with 31.8 % of the nominations, is clearly ahead of a more structured assessment procedure, which only 17.1 % of the companies surveyed use even after joining the company.

Dissemination of competence development methods



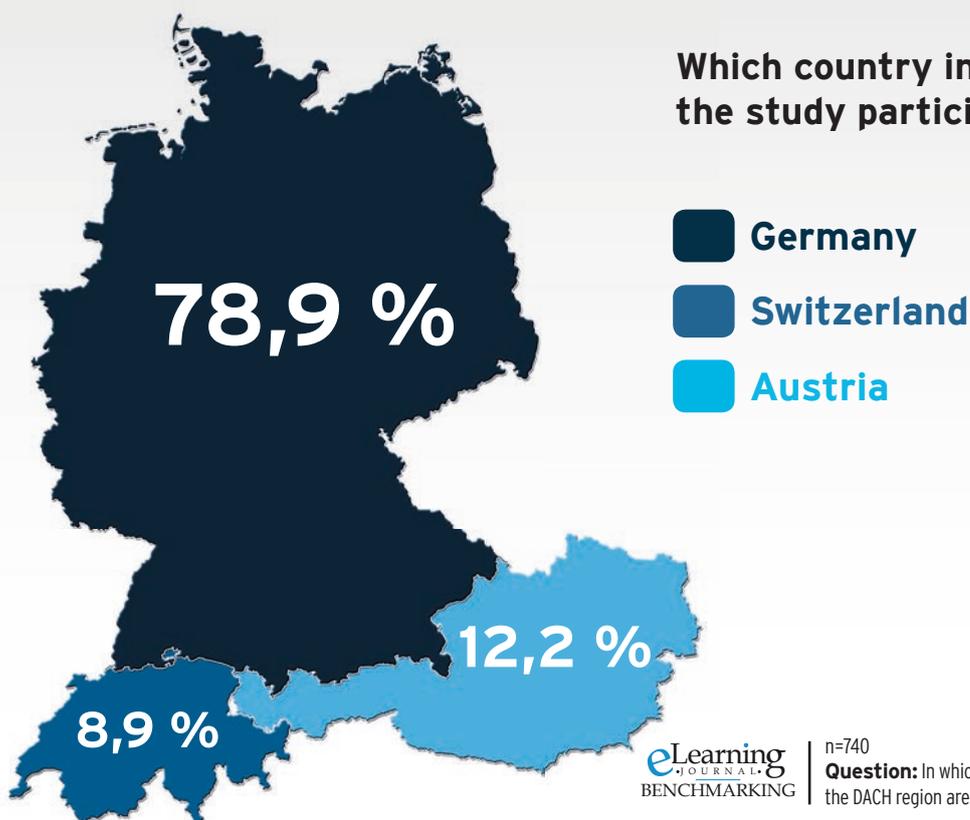
Methodology

The editorial staff of the eLearning Journal has been conducting the eLearning BENCHMARKING study annually since 2014 in order to obtain current insights into the eLearning and continuing education practice of the German-speaking business community, including the molecular use of eLearning measures as well as expected trends and future developments in this area for the coming years. The eLearning BENCHMARKING study thus offers a comprehensive orientation aid for companies and organizations from Germany, Austria and Switzerland.

About 850 companies participated in the current eLearning BENCHMARKING study 2018 entitled „eLearning & Continuing Education“. The study comprises a total of 6 sub-studies with a focus on Mobile Learning, Competence Management, Talent Management, Digitization, language training and a separate sub-study for eLearning service providers and freelancers.

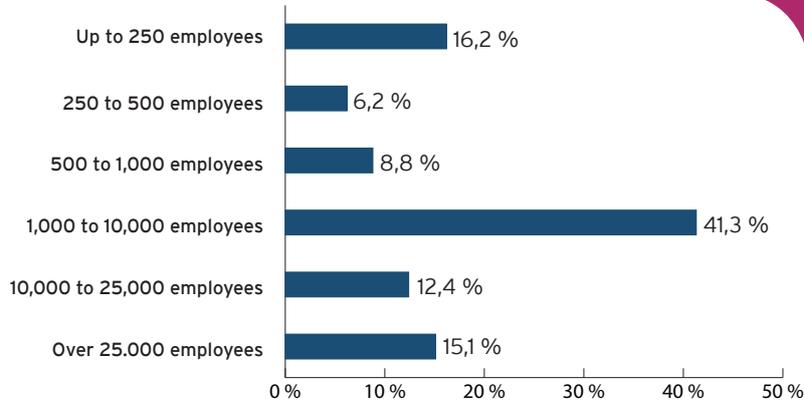
The eLearning BENCHMARKING Study 2018 primarily surveyed companies and organizations using eLearning. As part of the study, employees of the eLearning Journal invited the study participants from previous years as well as participants from companies and organizations using the eLearning SUMMIT Tour 2017, which consisted of a total of 25 events and around 3,000 participants, to the study by telephone. The actual data collection took place anonymously via a special online survey software. In addition, the 20,000 editorial contacts of the eLearning Journal were invited to participate in the eLearning BENCHMARKING study with an e-mail campaign.

Which country in the DACH region do the study participants come from?



A cross-section of our study participants

company size



eLearning
JOURNAL
BENCHMARKING

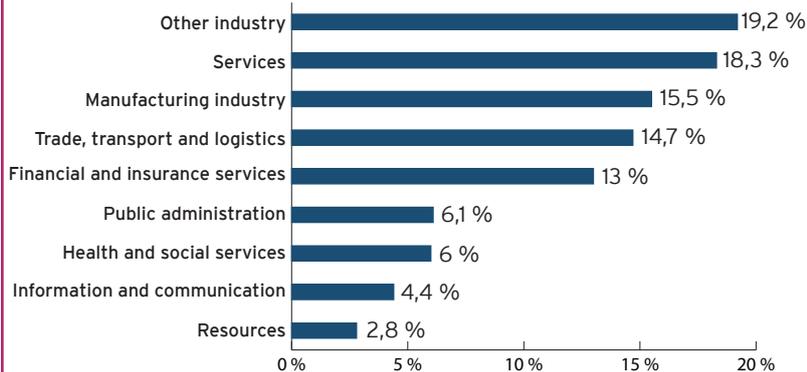
n=747

Question: How many employees does your company have?

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branch



eLearning
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BENCHMARKING

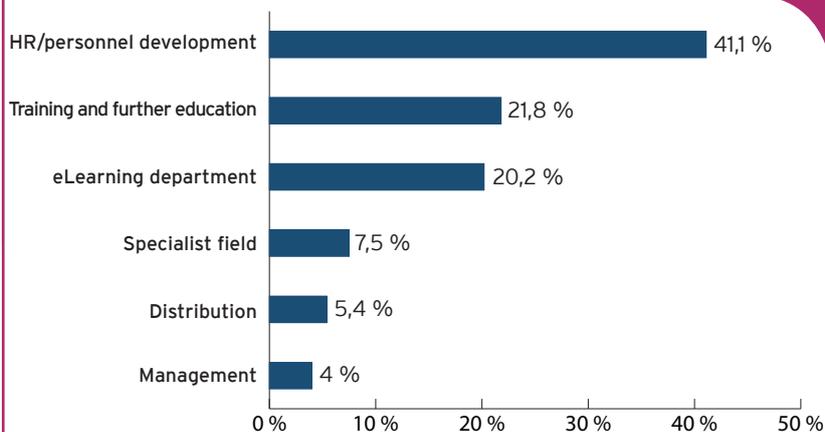
n=749

Question: Which branch does your company belong to?

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Position of the study participants



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n=744

Question: In which area do you work in your company?

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Recognitions

Project implementation:

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The eLearning Journal is a trade journal of the Siepmann Media business publishing house and publishes five print publications annually on various topics in the fields of eLearning and in-company education. In addition, since 2014 the eLearning Journal has conducted the largest annual study on the operational use of eLearning in German-speaking countries, the eLearning BENCHMARKING Study. In addition to the journalistic activities, the eLearning Journal organizes the decentralized conference series „eLearning SUMMIT Tour“ with approx. 25 events and 2,500 to 3,000 participants from companies and organizations in Germany, Austria and Switzerland.

Project partner:

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With over 12 million users in 130 countries, CrossKnowledge is one of the global market leaders in the field of digital learning after 16 years on the market. CrossKnowledge supports companies of all sizes in achieving strategic business goals with future-oriented digital solutions. Based on globally recognised learning content, the latest mobile-assisted technological developments and established experience in the field of social learning, CrossKnowledge provides individual, fully integrated learning solutions. These can be implemented at previously incomparable speed and at the same time make the progress of the learner tangible for the customer.

Cooperation partner:

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