



TOOL GRID OVERVIEW

Key aspects on retention and intergenerational transmission of Know-How

Introduction

The Tool Grid is a research study aimed at laying the foundations for the further development of a "Strategic practice for Know-how Retention And Transmission within organization", which gives name to the SKRAT Project¹. The report is offering a synthesis of the national reports aimed at identifying diverse tools and experiences at national and European level, to be used as a basis for developing the practical guide in this field, particularly oriented for SMEs in the metal sector though able to be adapted and/or adopted to organizations in general.

SKRAT main area of interest is the innovation in company-based policies for knowledge retention and know-how transfer with a special focus on improving the environment for lifelong learning within companies and the management of demographic change. The report was elaborated by the following national teams:

- Spain - *Fundacion Metal*.
- Germany – *IG Metal*
- United Kingdom – *Entente*
- Italy - *Training2000*
- Portugal - *CENFIM*
- Romania – *Institute of Education Sciences*.

At the same time, the report was receiving the constant support of ISOB, organisation with the responsibility of coordinating the internal quality assurance activities and provision of feed-back on the project outcomes.

By introducing a set of tools aimed at facilitating the transfer of know-how in the metal industry, SKRAT's outcomes are expected to contribute to the promotion of innovative and effective measures at grassroots level for improving learning and information exchange within companies.

The utility of this report is therefore twofold:

- i) on one hand it provides the partnership with a common understanding of the particular needs of the SMEs in the metal sector from the perspective of management of their know-how resources.
- ii) on the other hand, the report is offering the back-bones of a strategic approach for successfully responding to these challenges and a practical guide for SMEs interested in addressing the challenges of know-how retention and transmission.

As the general project, the report is addressing to various target groups, including, among others: employers and employees, mainly working in SMEs in the metal sector; Human Resource managers involved in turnover processes; experts interested in the development of learning systems in companies, focused on retention and transfer of

¹ Funded within the Lifelong Learning Programme 2007-2013, PROJECT NUMBER: 142570-LLP-1-2008-1-ES-LEONARDO-LMP, AGREEMENT No «2008-1939/001-001»

know-how within the company and companies willing to adopt new methods for enhancing the learning opportunities for their staff.

SKRAT promotes the idea that HRD always turns around the axis *motivation – satisfaction – rewards/incentives, staff maintenance and continuing staff improvement* with the purpose of increasing company performance and the individual ones. Based on an in-depth analysis of recent experiences and initiatives of companies, the present report intends to offer an improved vision about Human Resources and to contribute directly and indirectly to:

- national and European initiatives to support HRD (i.e. the creation of a legal-institutional frame with regard to the labour market policies and CVT a lot more permissive than the previously existing one – but further perfectible; the ‘coming of age’ of the social partners; the creation of some social dialogue structures at sectoral and local level; increasing the capacity and professionalism of CVT suppliers, etc.);
- assuring a right balance between the surplus of qualifications and competencies supply, and the competencies and qualifications deficit, in a series of areas or occupations, either recently emerged, or characterised by an accelerated dynamics of technological change in the sphere of various industries, including the enterprise, collective, social and personal services industry;
- the existing initiatives addressing the important number of individuals graduating without adequate qualification by connecting working skills with enterprise needs.
- predictability gaps regarding medium and long term business development for, consequently, identifying future needs and hence their dissemination to such qualification providers, so that the workforce is prepared in due time in accordance with the moment when it is supposed to act.

Problems addressed within SKRAT

The existing research and the findings of the national stock-taking reports are indicating that SMEs are particularly vulnerable in facing the challenges related to:

- the loss of company knowledge and know-how base due to high turnover rates, early retirement and generational changes, all meaning knowledge and productivity loss.;
- high competitiveness and difficulties in adapting to constant changes in the globalized markets;
- the difficulties entailed by the crisis affecting all economic processes (production, export, consumption etc.)

Under the circumstances of a prolonged economic crisis, marked by several institutional, structural and functional incoherencies and distortions and also by financial resources scarcity, all enterprises have been subject to various highly intensive challenges. SMEs were in the front-line of the negative developments in the economy, facing unprecedented challenges in all key-areas, important for a successful survival on the market.

Successful Human Resources planning is closely linked with the strategic planning of an organization. For a good period of time, HRD at company level, especially SMEs, was only a residual concern. Most often it was focused on the impact of restructuring on employment and social protection of laid-off staff. Very often it was not anticipated and accompanied by other measures which aimed at rendering efficient the company activity. In the absence of such systematically sustained actions, erroneously restructuring was equated, more or less, to layoffs and unemployment.

At company level, with some exceptions obviously no prospective, anticipative thinking emerge *ad hoc*, either with respect to business development, or HRD. SMEs are crucially depending on strengthening their capacity to plan their resources development, and Human Resources departments of SMEs -where exists- are still weakly staffed with specialised personnel with competencies in their efficient management. Management often has only limited knowledge of the abilities and competences of older employees that extend far beyond the immediate requirements of their work places (as defined by the occupation standard, job description etc). Knowledge by experience ("Know-How") spans also areas not directly linked to the job definition of the work place itself.

Companies seem to be more and more interested in getting an accurate picture of the competence assets at their disposal, in understanding and controlling better the dynamics of its staff, in assuring the preservation of the relevant know-how in turnover processes, in linking the technological change with upgrading the relevant skills, in forecasting skills shortages and innovative ways for meeting this challenges. However, the lack of appropriate resources and capabilities are making this interest not to be transformed in concrete interventions.

Therefore, even in the case companies determine to tackle the turnover process and offer a special role to aged workers, there are important challenges related to initiation, implementation and evaluation of such interventions. Within SMEs especially it is possible to promote a certain flexibility to phase retirement gradually, and also to exploit opportunities to call in retired employees on a consultancy basis to deal with specific skills gaps in an evolving workforce. But this alone could only partly solve the problem: it is a way of temporarily retaining the know-how but, limited to it, an un-sustainable way of transmitting the know how to the other workers, especially the younger ones. There's a need then to make explicit such know-how. Therefore, SKRAT is intended to address these needs from a strategic approach in an integral perspective of HR management.

Executive summary

National reports are indicating that in the near future, due to important changes (i.e. in the demography) it will become more and more difficult for companies to cover their qualification needs externally on the labour market so increasing importance lies with in-house knowledge management systems. Companies, including SMEs, should assure on the one hand that knowledge remains inside the companies when employees leave for retirement and, on the other hand, that knowledge necessary in the future will be generated inside the companies.

Many companies in the metal sector suffer a progressive ageing of their personnel; youngsters seem to be less attracted by the openings available in the sector and there

is a general sustainability issue in the industrial/metal sector indicated by most of the national reports (ES, UK, RO). Despite that fact that national reports indicated initiatives at different level for assisting the companies in coping with the demographic change, these examples also demonstrated the lack of a systemic, co-ordinated policies. Most of these incentives were determined by indigenous pressures to act or by personal/company engagement. It is therefore necessary for companies to embed a pro-active approach in their activity and design their own strategies in this area. The main objective to be reached is to increase the motivation of aged workers to participate in lifelong learning and to remain on the labour market beyond the formal point of retirement (if exists).

Although it is clear that skills and knowledge are passed down from the older generation of workers, the cases of best practices in place for the transfer of “know-how” from older workers to young apprentices are scarce and rarely are based on a coherent approach. From the policy perspective, it seems to be left for individual companies to decide – and even to the individuals themselves – if and how this inter-generational learning to be enhanced. At sectoral level the social partners are aware of the turnover situation but they have not yet defined a strategy to tackle this situation and in many situations the SMEs are not really represented.

Individuals and companies must think of ageing as a lifelong learning and developmental process in which one continuously takes on new life challenges, in line with one’s interests, opportunities and limitations. Ageing is far more complex than the usual (medical) view of physical and mental decline and could not be understood correctly without an interdisciplinary approach. In the context of our project, this means understanding learning as a broad, holistic concept encompassing individual education and training, but equally, and perhaps more importantly, also entailing participative collective workplace learning that is actively supported by the employers (CEDEFOP, 2006).

Development of the knowledge society is bound to be linked with the development of a ‘greying society’. With working place being the most important place of learning, the employers are under the growing pressure of assuming actively their roles in promoting lifelong learning (LLL) within their companies and design the work conditions in a way that the opportunities for learning are enhanced and a strong learning culture in the workplace is created. Demographic change entails necessarily longer working life (in years) and asks for changes in the conditions of work that are essential for this. The pivotal point there is always the quality of conditions of work (issue detailed by the Spanish and German national reports in particular). By means of analysis of potentials at operational level and of the consequences of demographic change, requirements for structuring a human work environment may be determined being age-adaptable as well as appropriate for the respective age.

For this to be possible SMEs should steadily changing their attitudes towards ageing and its consequences as a first step in fostering in continuous learning and promoting ‘age-friendly workplaces’ that promote learning; employers with a strategic approach of age management investing in the learning culture of the organisation could expect to have employees, regardless of age, that are more receptive and reacting better to change, offering the company the needed flexibility for a more competitive and globalized market. For all this to happen, first it is essential to make work places more conducive for learning. Understanding its importance and valuing the added value of interventions is

necessary but not sufficient for SMEs to preserve their know-how and to create the appropriate conditions for its transfer.

All the national reports are indicating that organisational solutions play a critical role in older workers' willingness to continue working, taking into consideration the fact that they tend to relate their competences to personal or individual features and work related characteristics rather than purely to age. Specific challenges such as "learning resistance" are worrying trends, reflecting the fact that individuals do not see the importance of lifelong learning for their future employability. The recognition of competences acquired at work could be a strong incentive for engaging in LLL within the company, especially if experienced workers are involved as part of the learning provision. Besides formal learning processes, informal types as for instance learning-on-the-job systems have to be used. This will entail the need for changing the work organization so the first necessary step is to stimulate the SMEs to **make work-places more learning conducive** and more aware of their know-how capital and know-how gaps.

The second step is to offer the SMEs a specific set of tools from which to choose, taking into account the particular situation of the company and the existing lifelong learning incentives already in place. Today there is a wide array of options for the SMEs in all partner countries, but, due to various reasons (costs, lack of internal HR management capacities, lack of awareness or experience, accessibility, technical content etc.) there is a rather limited experience in this field.

There are many options available to address the problem of demographic change and the ageing of the workforce within a company. Capitalizing the points discussed above, the SKRAT approach is exploring the interventions based on the explicitation of know-how, starting from the analysis of existing and forecasted key work processes. The basic assumption is that by engaging in an accurate estimate of the skills shortages/surplus, any company must estimate the skills and/or qualifications demand in relation with key processes and also must assess the skills and/or the qualification supply within the organisation. It will be possible therefore to design integrated interventions to close the skills gap by enhancing opportunities of learning within company and by offering a special role to the aged workers in transmitting and therefore in facilitating the know-how retention within a company. In parallel, the company should conduct a range of specific activities for overcoming learning barriers, addressing the challenges identified above: lack of motivation for engaging in learning and for development of professional life, lack of motivation for transmitting the competences to the peers (inter-generational learning), existing prejudices and stereotypes etc.

The report explores a set of tools that are highly relevant for each of these main steps specific to the SKRAT approach, transferable in a working environment specific to a SME in the metal sector: It is expected, by an attentive and systematic use of these tools, to create the internal capacity of the SMEs to transform these activities in a daily HRD routine. Thus, the SKRAT approach is proposing more than a simple collection of tools, by offering an in-depth presentation of the contexts and conditions of using each of these, so the process -company-related one and a worker-oriented- influences directly their overall managerial and economic performance.



**Strategic Practices for Know-how
Retention And Transmission
within Organizations**

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