

Cognisco KNOW

£19bn
stop paying it,
start banking it.

£ 19bn was lost by business in 2008 due to employees not having sufficient knowledge or information to do their job correctly.

This doesn't even take into account the damage done to reputation, brand, future sales and customer loyalty and safety. Solve this issue in your organisation and what was loss and cost becomes profit.

Hopefully these astounding numbers will galvanise the two in three organisations that are aware of the issue but have taken no action to remedy it.

Cognisco*KNOW is one of the more cost-effective solutions to the problem of employee misunderstanding. If anything in this report rings true to your current situation, please feel free to contact us.

Mary Clarke

Mary Clarke, CEO Cognisco

This IDC White Paper, commissioned by Cognisco, lays out the facts and statistics involved in this issue, putting numbers to the great unknown.

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White paper

£18.7 Billion: Counting the Cost of Employee Misunderstanding

Sponsored by: Cognisco.

Ed Cordin, Lisa Rowan, Phil Odgers, Andrew Barnes, Robert Redgate. June 2008

Executive summary

IDC research shows that UK and US enterprises are losing an estimated £18.7 billion from their EBITDA as a result of employee misunderstanding. This white paper describes how this is happening and what they can do to stop this serious profit erosion.

Large enterprises are each potentially losing tens of millions of dollars to what is termed “employee misunderstanding”, meaning actions or errors of omission by employees who have misunderstood or misinterpreted (or were misinformed about) company policies, business processes, job function or a combination of the three.

Employee misunderstanding is a very different proposition to a deliberate disregard for the rules or a plain mistake, whereby an employee simply does something that they didn't mean to (like forgetting to back up computer storage or putting a decimal point in the wrong place).

The financial cost of employee misunderstanding is immense. Our survey of 400 UK and US corporations estimates that the cost of employee misunderstanding in a 100,000-employee company averages £31 million per year. In total, UK and US enterprises are losing an estimated £18.7 billion each year. Of the industries we researched, banks suffer the greatest losses and transportation the least. Loss of business due to unplanned downtime was the largest area of loss attributed to employee misunderstanding.

However, the cost of intangibles such as reputation, customer trust and the like could have even greater consequences. As recent losses of computer media in the UK have shown, the potential for a misunderstanding to have major consequences lies not just with senior management – it can reside with the lowest-level (or even temporary) employees.

Such misunderstandings are not always headline-grabbing material, but their consequences very definitely can be. In California, for example, a company carrying out a process involving a dye penetrate, and with a permit to dump waste into a sewer, released the material into a drain in the street; an employee had misunderstood “sewer” for “storm drain”.

More typical examples of misunderstanding include employees believing that their sign-off limits were higher than actually allowed, not knowing when to involve the legal department, and being unaware of a key responsibility.

Legislation gives the issue another dimension. The recent introduction of a corporate manslaughter law in the UK makes company directors responsible for the actions of employees, and failure to comply with Sarbanes-Oxley can have serious consequences for management. Yet nearly all the businesses we interviewed admitted that they had been exposed to personnel/public injuries, and to a loss of sales in the prior 12 months as a result of employee misunderstanding.

Although this is clearly a matter that can have a major impact throughout the whole enterprise, businesses that we spoke to (on both sides of the Atlantic) are mostly unprepared. IDC defines an employee assessment programme as a programme that measures an employee's level of knowledge, understanding and confidence in the areas important to their organisation's overall operational performance. However, by this definition, nearly three-quarters said that they did not have an employee assessment programme and that their HR systems did not enable a single view of their employees (i.e., allow a single point of access for all employee information). Although employee assessment programmes were felt to address the right issues positively, only 6% of respondents had an automated employee assessment programme in place. Enterprises in the UK and US showed few points of divergence on this point.

There was no polarisation between “higher risk” industries (such as those in highly regulated industries) and a control group used. The cost of employee misunderstanding is an issue for enterprises in all industries and provides a clear rationale for investment. This research also showed that the cost of misunderstanding may not manifest itself “neatly” on a per employee basis.

In terms of addressing the challenges highlighted, technology appears to be the only economically viable solution.

If enterprises do not act now they are harbouring challenges for the future and operating in a suboptimal way. All CEOs should take the opportunity to review employee misunderstanding in the context of effectiveness, efficiency and organisational resilience.

In this IDC White Paper we detail our research methodology and findings, present our analysis and conclusions, and finally provide enterprises with our recommendations for addressing this potentially explosive issue.

we have the confidence to act securely.

Employee misunderstanding arises when an employee means to do a job correctly but possesses insufficient information and/or skill to do so

Introduction

Never before has the cost of employee misunderstanding been formally researched and calculated. So why do it now? Anecdotal evidence suggests that large enterprises could potentially each be losing tens of millions of dollars as a result of “employee misunderstanding”.

Research to quantify this financial impact and sources of employee misunderstanding would, therefore, enable enterprises to better see the economic rationale for taking appropriate action and the inherent opportunity to further improve effectiveness, efficiency, resilience and compliance. All key concerns and opportunities for every CEO.

Background

Employee misunderstanding arises when an employee means to do a job correctly but possesses insufficient information and/or skill to do so. It is a very different proposition to a deliberate disregard for the rules or a plain mistake, whereby an employee simply does something that they didn't mean to. It is all too often the case that all concerned are unaware of anything amiss as in this context “misunderstanding” can simply be defined as “to understand incorrectly, while thinking to have understood correctly”.

No company is a greenfield site, and when considering the context of employee misunderstanding, there is an immediate set of questions and concerns to consider:

- Employees often have uncertainties about elements of their roles and possibly about their own abilities to fulfil them. How can these be best discovered and remedied?
- Likewise, how should an employer best develop an understanding of its employees' relevant skills and competencies, while also defining the desired skills and competencies?
- Additionally business pressures such as regulation, compliance and security demand that such concerns are addressed on a continuous and real-time basis; scale and organisational structure only serving to exacerbate the situation.

Ongoing IDC research has shown there to be a number of potential starting points to address the questions and concerns highlighted above. One frequent starting place IDC has observed is training. But is this ultimately the most effective choice? The answer, of course, will depend on many factors. But it has been theorised that people respond best to training when they are aware of their own need for it, and of the personal benefit they will obtain from achieving it. Likewise psychology theory and practice suggests that individuals have “blind spots”, as explained by the “Johari Window” (see Figure 1). For example, staff will not always admit or know what they may need, or what the business requires them, to know.

Establishing “real” training needs while promoting strong personal openness and engagement, therefore, do appear critical and infer some form of structured assessment processes (whether automated or manual) being required.

A critical challenge also remains – how is it best to cope with scale, consistency and coordination across the modern enterprise so an inclusive and holistic approach can be taken?

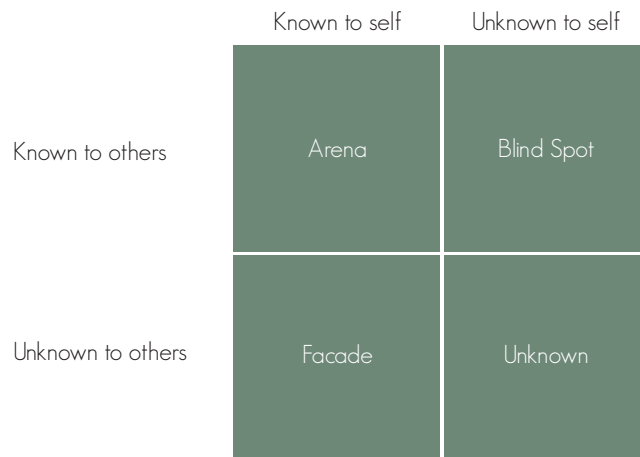
Employee assessment solutions (a programme that measures an employee's level of knowledge, understanding and confidence in the areas important to their organisation's overall operational performance) have entered the market to address these challenges and provide an important perspective through a range of analyses – such as skill gap and training needs, and point of central control and consistency.

So is improving employee misunderstanding being overlooked as a potential route to improved performance? Are the financial consequences of not acting fully understood? Do enterprises have a blind spot in this area? Do enterprises in highly regulated and/or people-intensive vertical markets need to be more concerned? Is the current level of employee assessment solution deployment delivering benefits?

IDC's research set out to investigate these key questions. In this white paper, we detail our research methodology and findings, present our analysis and conclusions, and finally provide enterprises with our recommendations.

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Figure 1
Johari Window



Source: IDC, 2008

Methodology

In approaching this study we used a blend of primary and secondary research techniques.

Primary research

As part of this research project, IDC conducted a series of telephone interviews with senior HR, finance and operations staff at 400 companies across the UK and US. The questionnaire was designed to take information from respondents in a manner that enabled IDC to arrive at an aggregated cost of misunderstanding calculated across a range of categories and was carefully constructed after an initial phase of in-depth conversations on the subject with a smaller sample of the target group. The main phase interviews were conducted within predefined vertical sectors (pharmaceuticals, petrochemical, financial services and transportation) with more than 5,000 employees. These particular vertical sectors were chosen due to the high risks involved with handling funds, dangerous substances, and potential hazards faced with mass transit. These industries are either people-intensive or asset-intensive, and therefore more susceptible to a high degree of consequence arising from employee misunderstanding. An additional spectrum of large commercial enterprises was also included to act as a control group.

Secondary research

Where relevant, existing IDC research (Continuous Intelligence Services) has been reviewed to validate some of the key findings developed through the primary research. Secondary research also assisted in the design of the questionnaire used in all interviews. However, given the unique nature of this study, little other information is currently available and therefore secondary research has been mainly limited to these two areas.

For employee counts, IDC used Hoovers, The Bureau of Labour Statistics (US) and the Office of National Statistics (UK).

The issue for management is "Do we know which employees are most likely to cost us money?"

Situation and analysis

IDC's research focused on a number of core areas as highlighted in the introduction, namely:

- Determining the cost of misunderstanding – tangible and intangible
- Revealing the sources of the costs

What follows is a review of selected findings, first at an overall level, and then within specific verticals. The analysis moves then to a review of use and benefits of employee assessment programmes and concludes with a set of enduring issues faced by enterprises.

Levels and sources of cost of employee misunderstanding

To arrive at a quantifiable cost of misunderstanding, we asked survey respondents to estimate costs that their business had incurred due to unforeseen risks and efficiency shortfalls. We then asked them to review these costs and indicate what proportion was due to employee misunderstanding.

Our research determined that, on average, employee misunderstanding costs enterprises £310 per employee per year. When extrapolated to the universe of UK and US enterprises, this equates to a cost of £18.7 billion. When applied to a company of 100,000 employees, this equates to an estimated annual cost of £31 million.

Although we have expressed the cost on a "per employee" basis for reasons of extrapolation, major losses are most often incurred by a single employee's misunderstanding of a key business process. The issue for management is "Do we know which employees are most likely to cost us money?" If the answer is (as we suspect) "No", then all employees need to be considered as likely.

Figure 2 shows how the misunderstanding cost is distributed among the various categories.

Figure 2

Breakdown of Costs Resulting Directly From Misunderstanding



Source: IDC, 2008

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A representative of a major UK bank told IDC how "substantial trading losses were the result of IT system downtime initially arising from employee error"

Nearly half of the total cost of misunderstanding is represented by "loss of business due to downtime" and "poor procurement practice" – both stemming from failures in the operational side of business practice. All companies are acutely aware of the costly implications of downtime to their business and considerable resources and effort are expended to ensure continuity of the core processes. However, it is clear that enterprises are still at risk from human failure. For example, a representative of a major UK bank told IDC how "substantial trading losses were the result of IT system downtime initially arising from employee error. Also, the inability to act on client instructions was costly to our relationship with some clients".

Poor procurement practice can be costly too. One UK pharmaceutical company had learned an expensive lesson when "a procurement error resulted in significant production downtime. A dedicated production facility could not function without a chemical catalyst. This oversight left us with no option but to shut down production".

We found many examples of the potential for enormous risk posed by a simple lack of employee understanding and competence.

"Failure within our HR department to fill a critical vacancy left us with no one to monitor insurance policy. We manufactured a new product line and no one identified a gap in our product indemnity insurance. When one of those product batches left production faulty we were open to large financial losses. Two failings, one in quality assurance and the other administrative, mean we are still picking up the cost, the impairment to our brand image brought about by the same failings is immeasurable." – US CPG manufacturer

When we look at the distribution of costs attributable to employee misunderstanding, after those caused by "downtime" and "poor procurement practice", we see a further 28% is incurred as a result of settlements for personal injury and from industrial tribunals, both related to the HR side of the business. Finance and administration areas – regulatory, financial and tax costs – amount to a combined total of 14%. It is clear that the cost of employee misunderstanding is generated throughout the enterprise.

Are there intangible costs to consider?

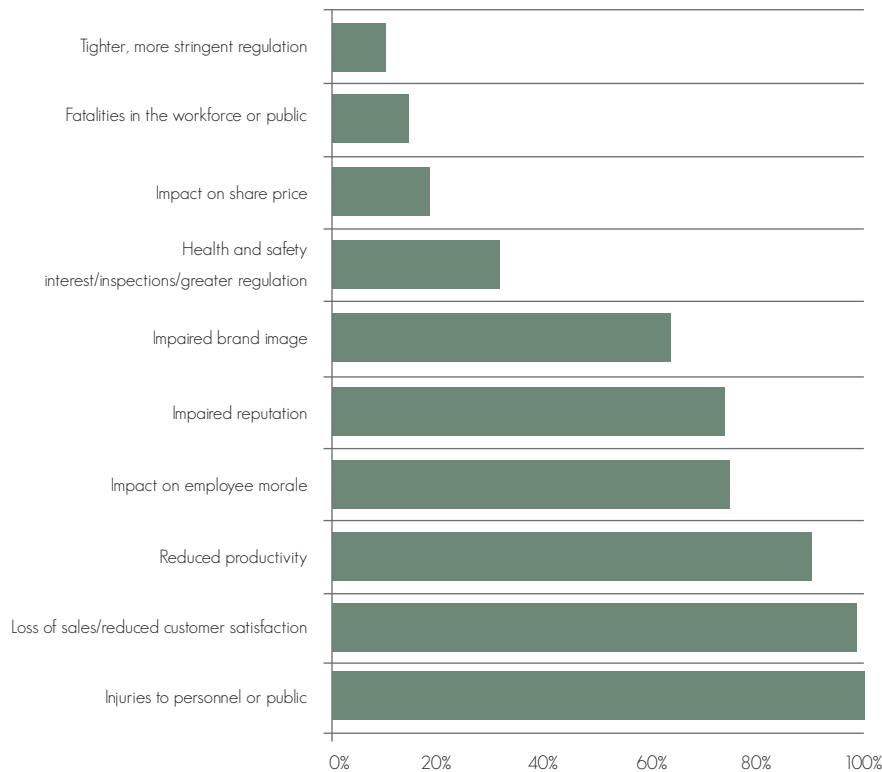
Misunderstandings such as those mentioned above clearly come at a high price and also have a negative impact on the reputation of the enterprise. The cost of intangibles such as reputation, customer trust and the like could have even greater consequences.

Physical safety can also be at risk, and it is the statutory responsibility of employers to ensure the health and safety of its workforce, clients and everyone the enterprise comes into contact with. For example, it is paramount that risk is minimised by ensuring that those responsible for safety standards and procedures have a clear understanding of their role and responsibilities. The recent introduction of a corporate manslaughter law in the UK makes company directors responsible for the actions of employees, and failure to comply with Sarbanes-Oxley can have serious consequences for management. But the responsibility doesn't stop there – employees also need to demonstrate competence and awareness in this area. Figure 3 highlights the degree to which all businesses consider the intangible risks they face over the coming 12 months. Injuries to personnel or public are rated as high as loss of sales/reduced customer satisfaction. Virtually all the businesses we interviewed (99.75%) admitted that they had been exposed to personnel/public injuries, and to a loss of sales in the prior 12 months as a result of employee misunderstanding.

It is paramount that risk is minimised by ensuring that those responsible for safety standards and procedures have a clear understanding of their role and responsibilities

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Figure 3
Intangible Risks Over Past 12 Months



Source: IDC, 2008

"Poor team leadership and middle management decision making in quality control within procurement led to a huge recall on a relatively low value item. While the cost to replace the goods was small, the time spent in additional administration is more disruptive to core business. Further immeasurable cost is felt in the damage to the brand". US retailer

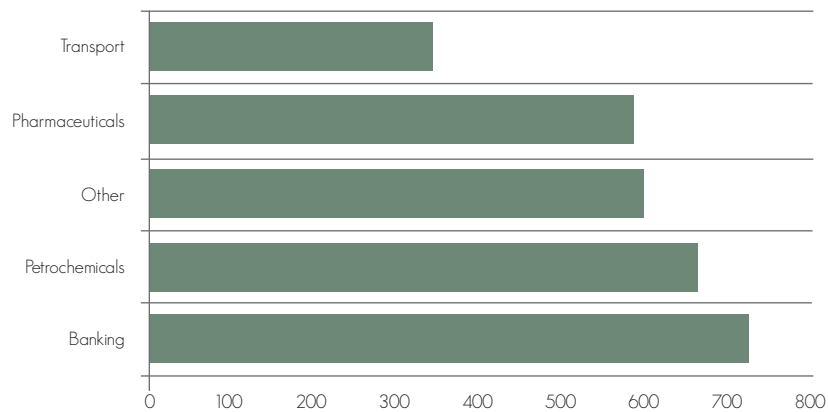
Given the enterprisewide nature of the problem, and the potential scale of costs resulting from impaired business processes, a damaged reputation, and human injury, we believe that addressing the issue of employee misunderstanding is something that should be sponsored at the highest level – the CEO.

How did specific industry verticals compare?

IDC's research focused on businesses in four industries where the cost of misunderstanding is potentially very high: banking, petrochemicals, pharmaceuticals and transportation. The reason for the potential to be high in these industries is the high-risk associated with handling funds, substances that can prove lethal if mishandled and the inherent dangers associated with mass transit. We also included a control group outside of these industries to test the notion that the four industries were more vulnerable to high-cost failures of understanding. In the event, this proved not to be the case. This implies that the impact of employee misunderstanding is felt across all industries and not just those that appear to be "high risk". This additional category comprised of equally sized enterprises from vertical sectors outside the main scope such as retail, wholesale/distribution, manufacturing and telecommunications, and was coded as "other". Figure 4 shows the annual cost per employee for the four industry sectors against "other" industries.

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Figure 4
Cost Per Employee by Industry



Source: IDC, 2008

Banks are subject to the greatest cost of misunderstanding per employee (£380) and transportation the least (£179). "Other" reflects the median.

When looking at the source of the cost (Table 1), we find that:

- Banks had highest annual indicated cost in one category (regulatory penalties [19%]) and equal highest with pharmaceutical in another (loss of business due to downtime [37%]).
- Petrochemicals had the highest annual cost/employee in four categories (personal injury claims [19%], industrial tribunal settlements [18%], financial practice [8%] and tax [6%]) but its largest source of costs was through downtime [23%].
- Transportation and petrochemicals had the lowest cost in category (loss of business due to disaster [4%]) but showed the highest overall proportion of costs with procurement (22%).

Table 1
Breakdown of Costs Resulting Directly From Human Error by Industry Sector

	Bank	Petrochem	Pharma	Transport	Other	Total
Downtime	37%	23%	37%	33%	32%	31%
Procurement	7%	19%	18%	22%	19%	17%
Tribunals	12%	18%	17%	17%	15%	16%
Personal injury	4%	19%	11%	14%	10%	12%
Disaster	15%	4%	5%	4%	16%	10%
Regulatory	19%	2%	6%	3%	4%	6%
Financial practice	5%	8%	5%	5%	4%	5%
Tax	1%	6%	1%	2%	2%	3%

Source: IDC, 2008

We found that banks were more apt to be concerned about increased regulation, share price impact and brand image

When assessing additional risks and inefficiencies to which respondent companies had been exposed in the prior 12 months (Table 2), we found that:

- Banks were more apt to be concerned about increased regulation (40%), share price impact (29%) and brand image (81%).
- Petrochemical and transportation companies were more concerned about health and safety (52% and 46%) and fatalities (21% and 36%).
- As previously indicated all were most concerned with a mix of morale, customer satisfaction, productivity and injuries to public or staff.
- The control group showed comparatively little variation from the mean other than showing the lowest risk from regulation. However, this would be expected given the makeup of the control group; i.e., unregulated industries. In addition the highly regulated banking industry pulled this average up higher than it would otherwise have been.

Table 2

Intangible Risks Over Past 12 Months

	Bank	Petrochem	Pharma	Transport	Other	Total
Tighter, more stringent regulation	40%	5%	12%	4%	3%	10%
Fatalities in the workforce or public	2%	21%	6%	36%	11%	14%
Impact on share price	29%	10%	14%	18%	20%	18%
Health & safety interests/inspections /greater regulation	7%	52%	39%	46%	22%	31%
Impaired brand image	81%	61%	75%	69%	53%	64%
Impaired reputation	83%	74%	85%	78%	64%	74%
Impact of employee morale	76%	76%	77%	75%	73%	75%
Reduced productivity	91%	82%	89%	96%	94%	91%
Loss of sales/reduced customer satisfaction	100%	100%	96%	98%	100%	99%
Injuries to personnel or public	100%	100%	98%	100%	100%	100%

Source: IDC, 2008

While it would not be statistically rigorous to infer anything from the variations across industries illuminated in the analysis, they do show:

- Different industries are potentially vulnerable in different areas based on the degree to which they are capital-, asset- or people-intensive.
- The need for enterprises to continuously assess their individual exposure to employee misunderstanding.

The Use and Benefits of Employee Assessment Programmes

It is clear that employers require stronger visibility into employee understanding, and a viable approach to alleviating this situation is a thorough inspection of that understanding. Employee assessment programmes can provide that understanding by examining individual employees' strengths and weaknesses, and their abilities and needs. They differ from the conventional "annual appraisals" in that they are designed to take a more holistic view of the individual, and not merely focus on outcomes – attainment of targets, etc. Attributes such as confidence and competence are assessed, and areas where development is required are highlighted.

Employee assessment programmes benefit the enterprise by increasing performance in core business areas. Alongside these programmes, systems that enable a "single view of the employee" (i.e., allow a single point of access for all employee information) help to make the assessment process smooth and painless. As discussed previously, setting up formal training programmes can be both complex and costly, and doing so without the knowledge that could be gained from assessments may not yield the results desired.

It would not be statistically rigorous to infer anything from the variations across industries illuminated in the analysis, but they indicate a general need for enterprises to continuously assess their individual exposure to employee misunderstanding

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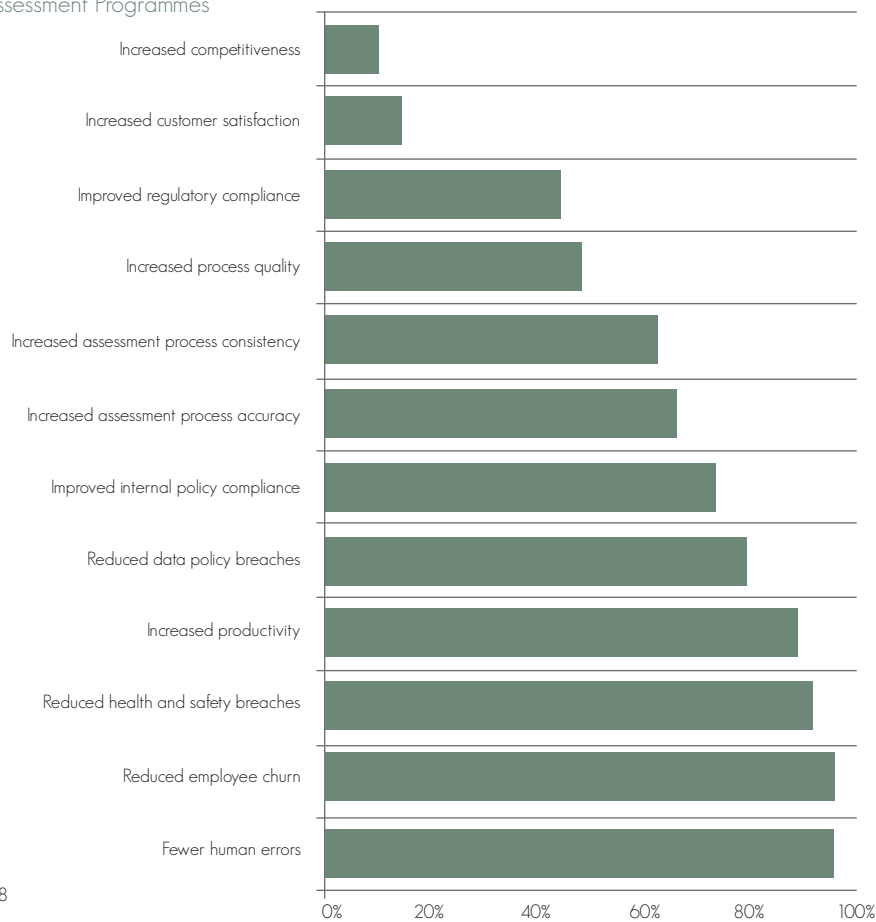
Considering the potential cost of misunderstanding and the high cost of face-to-face assessment, we were surprised that only about 6% of respondents had an automated employee assessment programme in place

In our survey, there was a remarkable similarity between the number of respondents without an employee assessment programme in place (73%) and the number of respondents that felt that their HR systems did not provide a single view of the employee (72%). We could infer from this, that employers without such tools display a low level of awareness of the employee's levels of knowledge, understanding and confidence in the areas important to their job function and overall operational performance of their company.

Only 27% of respondents with an employee assessment programme in place used a technologically based approach, with the remainder adopting a face-to-face approach. Considering the potential cost of misunderstanding and the high cost of face-to-face assessment, we were surprised that only about 6% of respondents had an automated employee assessment programme in place. Indeed, anecdotal evidence suggests that those using face-to-face methods are finding it to be a challenging task. This is not surprising when we consider the large numbers of employees and the labour-intensive and time-consuming process required to use a non-automated approach.

There are clear and measurable benefits to be gained from the correct approach to employee assessment. Figure 5 depicts the positive impacts that respondents have experienced from such programmes. Many of the areas rated as highly beneficial clearly align well with the root causes of employee misunderstanding: reduced errors (63%), reduced health and safety breaches (60%), reduced data policy breaches (52%), increased policy compliance (48%), improved regulatory compliance (29%), and so on. Other highly rated items reflect the consequences of misunderstanding: reduced employee churn and increased productivity.

Figure 5
Benefits of Assessment Programmes



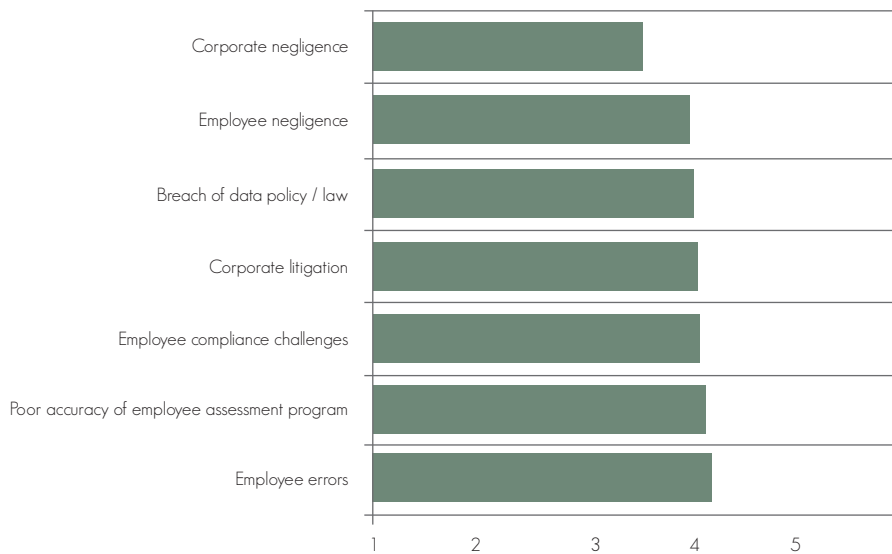
Source: IDC, 2008

There is general acceptance of a problem, but little evidence of solutions being implemented

The enduring issues facing enterprises – what and where next?

Perhaps the most telling point from our survey and analysis is the high rating given to all business issues, and the accompanying low level of usage of assessment programmes and “single view of the employee” systems. Figure 6 shows the rating (1-5 with 5 being highest) attached to a number of issues related to employee misunderstanding. All attracted high ratings, with “employee errors” deemed most pressing. However, “poor accuracy of the employee assessment programme” was only a shade behind. It would appear that there is general acceptance of a problem, but little evidence of solutions being implemented. However, as a result of this research, what is now clearer is the cost of employee misunderstanding (tangible and intangible), and some compelling evidence of benefits experienced so far.

Figure 6
Employee Misunderstanding Rated



Source: IDC, 2008

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Conclusion and implications

Conclusions from the research

Analysis of the survey results shows that:

The cost of employee misunderstanding is very high – particularly at a macrolevel; i.e., within an industry or country.

- This cost is generated and distributed throughout the enterprise with downtime, poor procurement, personal injury claims and tribunal settlements being the larger sources of cost.
- Enterprises in the UK and US showed few points of divergence but industry variations in impacted areas were significant and the need for customised assessment programmes is clear.
- There was no polarisation between “high risk” industries and the control group. The cost of employee misunderstanding is an issue for enterprises in all industries.
- Although employee assessment programmes were felt to address the right issues positively, only 6% of respondents had an automated employee assessment programme in place.

Further IDC research has shown that the majority of enterprises fail to set out the competencies needed to ensure that employees have what they need to do their jobs effectively. In a 2007 IDC study on talent, only 36% of survey participants reported using competencies for all positions. As a result, employees are likely not to know what is expected of them. In addition, management has no clear means with which to assess whether employees have the skills and behaviours needed to succeed.

In this same 2007 talent study, respondents cited employee development as a top talent initiative for 2008 (48%). This clearly indicates that employers are aware of knowledge gaps and the potential for misunderstanding but have not undertaken formal means to close the gaps.

A third factor highlighted by the talent research is the concern over turnover wherein the highest number of survey participants cited it as their top talent concern. When voluntary turnover is high, it is difficult at best to keep the workforce informed about policies, formal procedures and their responsibilities.

What are the immediate implications?

Employee misunderstanding is of concern to enterprises across all industries. By ignoring this fact, firms put themselves at risk for compliance, public safety, and legal problems. The costs are immense – our survey of 400 UK and US corporations estimates that the cost of employee misunderstanding within a 100,000-employee company averages £31 million per year. UK and US enterprises are losing an estimated £18.7 billion each year.

The cost of employee misunderstanding discovered through the research provides a clear rationale for investment.

Research also showed that the cost of misunderstanding may not manifest itself “neatly” on a per-employee basis. A whole company approach is required or at a minimum within critical teams or business processes in the enterprise. A “face to face/piecemeal” methodology to clarify misunderstandings would therefore not only be logistically very difficult, but also prohibitively expensive. Inevitably, it could also introduce further errors and inconsistencies.

Technology appears to be the only economically viable solution to the challenges highlighted – but there are other important questions and potential benefits to consider.

- How can assessment be contextually applied (intelligently) to yield higher relevance and accuracy around skill gaps and training needs?
- How can the learning curve of applying assessment solutions be minimised?
- How can best practice be incorporated to allow a rapid start and provide an early return on investment?
- While a single view of each employee can provide a central point of control and consistency, how can this also be applied to improve alignment, retention, morale and talent management?

If enterprises do not act now they are harbouring challenges for the future and operating in a suboptimal way. All CEOs should take the opportunity to review employee misunderstanding in the context of effectiveness, efficiency and organisational resilience.

Research also showed that the cost of misunderstanding may not manifest itself “neatly” on a per-employee basis

*Employee understanding and confidence must be approached as a core business process,
not a one-off review*

Key recommendations

What steps should enterprises take to avoid potential problems?

There are a number of steps employers can take to minimise the costs of employee misunderstanding:

- 1) Every enterprise must recognise that employee misunderstanding is of critical importance to its business. Employees at all levels take decisions and execute actions that could potentially incur massive fines for breaking regulations, damage corporate reputation or cost an enterprise its best customers.
- 2) With this in mind, enterprises must assign responsibility for employee misunderstanding to a senior, board-level executive.
This executive must be charged with determining the extent of any existing problem and with implementing processes to prevent serious misunderstanding.
Existing measures should be assessed for effectiveness in protecting the enterprise from misunderstanding. Solution awareness should start with competence assessment systems and naturally lead to the ability to plan process improvement around findings.
The function of HR, training and the management reporting structure must all be analysed. In particular, the management reporting structure must be assessed to determine if it adds to or detracts from the ability of the enterprise to address employee misunderstanding issues.
- 3) Employee understanding/confidence must be approached as a core business process, not a one-off review. The key components of assessment, consultation and planning for improvement must be concentrated upon. Above all, human cost must be considered – the preservation of personnel and public safety at every stage should be paramount.
Competencies must be put in place for all employees, with special attention being paid to areas where employee misunderstanding may prove most costly.
Confidence must be measured, not just competence. Employees need the knowledge and skills to perform the job, but what is often missing is the measurement of the employees' confidence that their knowledge is sound. Confidence is "knowing what you know" and helps minimise costly mistakes.
- 4) Enterprises must automate. Automating assessment enables enterprises to reach a larger population consistently and cost effectively. It appears to be the most cost effective solution available for enterprises to deploy.
- 5) Enterprises must act immediately. The alternative is the constant threat of a major incident combined with the inevitable accumulation of unnecessary costs associated with minor staff misunderstandings.

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In the workplace, knowledge is crucial. An employer needs to know the competency, efficiency, productivity and suitability of their workforce. An employee needs to know what is expected of them - what their role is.

This demands more than management consultancy, psychometric testing or careers advice. Cognisco*KNOW is a complex spectrum of techniques and tools developed by experienced teams of Occupational Psychologists, HR, IT and business experts. It ensures that people are truly knowledgeable, genuinely confident and doing appropriate jobs. In short, that the business is optimally staffed.

we have the confidence to act securely.

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