



- “Tighten up operations.”**
- “Improve performance and productivity.”**
- “Average up critical skills.”**
- “Get on board with new technologies.”**

These are just a few of the challenging calls to action being faced by decision-makers in today's smartest companies. The skills of your employees determine the quality of your customer service and level of customer retention. They determine the speed and quality of product development, the ability to meet changing market needs, and the strength of your bottom line. Now, companies are seeking out new ways to improve vital professional skills, and they are making continuous skills improvement a priority.

Feel intimidated? You're not alone. With employee skills representing as much as 85% of today's companies' assets, the most common question among managers faced with the task of managing skills is “where do I begin?” The answer can be found in a familiar adage, “what gets measured gets managed, and what gets managed gets better.” Begin by measuring skills, and you have an effective foundation for meeting specific goals and capturing results to prove your success.

#### **Measure, Manage and Improve—a New Twist on a Proven Tactic**

The good news is, the process of measuring the variables that influence business results can be traced back to the very origins of commerce. The same principals that apply to measuring inventory, product output, sales, profits and a host of other business metrics also apply to measuring skills, and skills measurement provides the foundation for effective skills inventory management. IBM is using skills measurement to facilitate gains in productivity. Verizon's Network Operations Group is measuring skills to enhance change management. The Global Internet Group of leading Internet service provider Cable & Wireless used skills measurement to achieve and document a 30% improvement in critical skills.

Effective online skills measurement practices give these companies the actionable data they need to realize the benefits of skills inventory management. Using objective skills data, they are now able to execute on practical, hands-on initiatives to improve the quality and effectiveness of their most vital company asset: employee skills. How are they doing it? They are combining established tactics that underlie successful business strategies with proven tools such as the Brainbench skills measurement system to gain actionable business information and track improvement results.

#### **Identifying the Problem/Challenges**

The process of establishing parameters to the skills inventory management initiative is crucial and relatively straightforward. A successful initiative often begins with a recognized business issue such as the need to increase productivity by 10%, improve successful problem resolution rates by 15%, or cut the next phase of development by 60 days. What all of these goals have in common is a specific business or operational need—a need that is directly affected by the skills and performance of a finite number of employees.

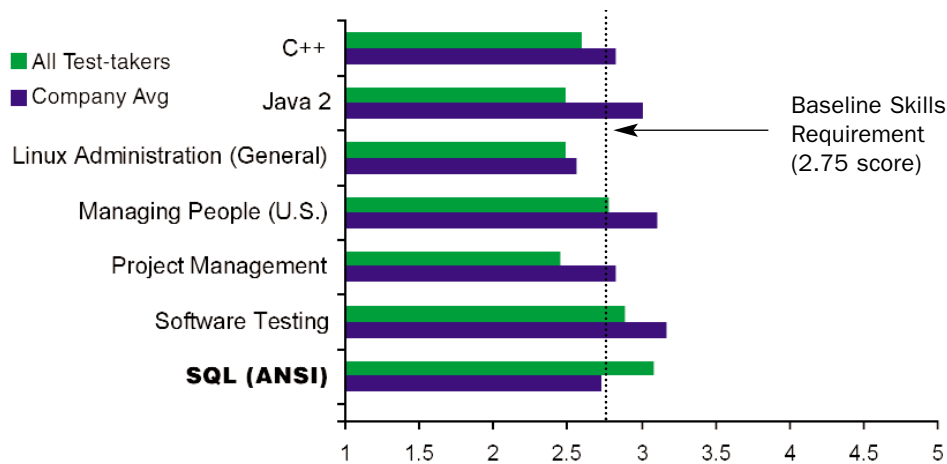
An effective tactic for success is to begin a skills measurement initiative by clearly defining the departments or groups to be included. Many companies have found that the simple “build it and they will use it” strategy of offering skills assessments to all employees can be improved greatly by focusing instead on a target group and by identifying critical skills. Once the group is selected, the skills measurement initiative can be expanded to other groups throughout the enterprise through an established and repeatable process based on the success of the initial project.



## The Need for Specific Skills Improvement Goals

Regardless of the number of employees involved, a successful skills measurement initiative typically involves groups whose critical skills requirements can be addressed with 3–7 skills assessments. For example, a programming group may require (as seen in the example below) C++, Java 2, and project management skills—three specific areas that can be assessed, improved, and reassessed for clear results. The bottom line: clear results deliver the most actionable data.

## COMPANY AVERAGE SCORES VS ALL TEST-TAKERS



The graph above shows that in five of seven skills areas the company met baseline requirements. For two skills areas (Linux and SQL) the company average falls below the baseline. This reveals actionable data to be used as part of a focused skills improvement initiative.

## Communicating Benefits to Employees

For the individual, skills measurement provides a positive tool for personal and professional development. Unfortunately, simply providing employees with the tools to measure critical skills does not guarantee that the tools will actually be used. Employee communication is crucial in introducing the initiative, overcoming objections, establishing incentives, fostering competition, and most importantly, delivering feedback. How does the employee benefit from skills measurement? A recent (August, 2002 issue, available at [www.brainbench.com/business](http://www.brainbench.com/business)) *Skills Measurement Report* cites five key skills measurement benefits for employees, including:

- **Internal Recognition**—Online assessments accommodate the employee’s immediate desire to improve by enabling retesting at any time and delivering immediate feedback.
- **Validation of Learning Effort**—Online assessments deliver objective validation based upon calculated assessment results. This facilitates repeat testing, which is critical for tracking learning progress.
- **Security**—The ability to deliver repeat objective assessments will facilitate improvement and add to employee confidence.
- **Pride**—When given the opportunity to improve skills and demonstrate that improvement with a quantifiable measure, employees are far more willing and able to become “accountable for their skill levels.”
- **Career Growth**—An online skills measurement system provides a sound basis for an actionable



career education and development plan.

While employees have much to gain from taking skills measurement into their own hands, many companies have achieved a remarkable boost in participation by actively promoting skills measurement to employees. In one instance, the employer gave away a free “happy hour” to high scorers on selected assessments. Other promotions have included everything from weekend getaways to simple prizes and program-branded merchandise. The result is that incentives take the “serious” edge off the assessment process, which ultimately reduces any potential anxiety and boosts employee participation. In addition, active email communication and a concrete assessment schedule (pairing deadlines with incentives) helps to ensure continuous participation.

### Facilitating Self-Improvement

How do you translate skills measurement into skills improvement? For many employees, the ability to see exactly what they know (and perhaps more importantly what they don't know) provides an effective basis for skills development. A track team that practices with a stopwatch will compete much more effectively than the team that practices without a clock. The same applies to skills development, and employees can use objective data to mark their progress over repeat assessments.

Objective data alone, however, is not the only skills development resource available. An effective online skills measurement system automates feedback and provides a variety of options for speeding up the skills improvement process, including:

- **Training**—Establish baseline scores for the skill being assessed. Employees who don't meet those scores are assigned to specific training programs based on skills needs. For many companies, the real benefit of skills measurement is the ability to identify who doesn't need training. Each employee that tests out of an otherwise required training program represents significant savings in employee downtime and training resources.
- **Mentoring**—Refer employees directly to the top performers who can help them improve on skills weaknesses. The benefit of online skills measurement is that it provides an objective system for pairing top performers with those who need improvement.
- **Other Resources**—Link assessment results directly to relevant reference material. When the employee receives results, skills strengths and weaknesses can be accompanied by links to materials or course modules that directly facilitate improvement. The benefit of linking directly to resource material is that the employee can take action immediately. This is important because employee motivation for improvement is highest at the time the results are delivered.

### Document Improvement and Capture ROI

Recently, a major telecommunications company identified 10 critical skills and involved more than 4,000 of its IT employees in its skills inventory management program. The CIO determined that in order to achieve strategic business objectives, employees had to demonstrate greater mastery over next-generation skill sets than their competitors. Over the course of the initiative, scores in critical skills areas rose by an average of 16.2%. Today, the company has a documented skills advantage, with scores averaging 9% higher than the industry average.

For many managers, it is the ability of a skills inventory management initiative to capture value that makes it a compelling option. In the example above, the company did more than simply implement a learning or training initiative “in the dark.” Instead, they were able to establish specific improvement metrics that were crucial for gaining buy-in for an ongoing skills inventory management initiative.

How do you correlate skills improvement with business results? The key is to identify up to three business metrics that are currently being used to track performance for any given group, department or cross-functional team. Hard metrics such as sales, units of production, acceptance rates, or turnover rates should be considered along with qualitative metrics such as customer



satisfaction, employee morale and program evaluation. Once you've determined the performance variables, correlating skills improvement levels with performance results is simply a matter of running the numbers. For example, a 30% increase in technical skill levels at Cable & Wireless corresponded to a 10% improvement in customer satisfaction. The level of measured improvement provides the foundation decision-makers need to expand the skills improvement initiative to address evolving critical skills needs throughout the enterprise.

Skills Improvement in Action: Telecommunications Company	Average Days Between Tests	Average Percent Improvement
C	128.81	12.66
C++	109.67	12.97
Java 2	116.70	2.65
Linux Administration (General)	79.67	22.13
Managing People (U.S.)	110.33	11.13
Project Management	114.26	17.08
Software Testing	121.00	22.05
SQL (ANSI)	98.79	4.95
Telecommunications Industry Knowledge	113.54	20.08
XML	102.25	22.41
Average Percent Improvement		16.12

The average improvement in critical skills areas for this telecommunications company was 16%.

### Moving Forward—Skills Improvement Gets Off the Ground

As with any initiative, company buy-in is crucial to the success of any skills improvement effort. In the past, skills measurement frequently referred to testing, a concept that has historically been linked solely to training and HR. Now, decision-makers are gaining more internal support for skills improvement initiatives by recognizing that employee skills require direct hands-on attention from all departments.

To make the most of a skills initiative, companies are following sound principals for gaining buy-in. They are identifying specific business issues, establishing focused skills improvement goals, communicating with employees, and providing the resources to facilitate continued skills self-improvement among participants. By recognizing these tactics at the outset, companies are now able to set unique improvement goals and proscribe a practical route toward achieving them.