

Best Practices and Performance Improvement? How Skills Metrics Deliver On Pressing Business Issues

In many organizations, employees' skills continue to be assessed on a case-by-case basis. For example, an instructor in a corporate training program may create a test to evaluate student employees at the end of one course, while another instructor teaching the same course in the same company may evaluate students in an entirely different manner. Or one recruiter may prescreen prospects for skills through interviews or one type of skills test, while another recruiter uses an entirely different method. In these situations, inconsistent results give decision-makers little useful information about the skills of the employees involved. Benchmarks cannot be established; comparisons cannot be made. Action cannot be taken.

Originally conceived as an effective means of certifying employees in particular job-related skills, online skills systems are now helping companies address a critical need for consistent assessments and metrics across departments and locations. Companies and government agencies are applying online assessment delivery, immediate reporting, and objective skills metrics to support best practices and achieve a measurable business impact across the enterprise.

Best Practices Supported by Enterprise Skills Metrics

An online skills measurement system can be implemented relatively quickly as a tool to address specific issues, such as training, recruiting, or employee development, and it will address those issues consistently across the enterprise. An effective system is flexible enough to apply to a variety of best practice applications. The following is an overview of best practices enabled by an enterprise skills measurement system, and the business results that organizations are achieving by putting those best practices to work.

Pre-and Post-Assessment

- Individuals' skills are assessed before every decision on hiring or promotion. Online skills measurement makes this possible through easy and immediate delivery of assessments and results. These results can be used to help individuals who are already qualified to "test-out" of unnecessary training. They can be used to verify preparedness for a given assignment, or they can simply be used to accelerate the screening process by identifying qualified (and unqualified) job candidates.
- Individuals' skills can be assessed before and after training or learning events. Repeatable online assessments provide an accurate and detailed representation of before-and-after skill levels to track learning improvement and training effectiveness.

Development of Skills Inventory

- Ease of use and a broad array of skills subjects enable continuous assessment of employee skills. This enables companies to establish a detailed inventory of skills that can support key decisions on hiring, training, promotion, or deployment.
- Standardization of skill definitions and measurement criteria enables companies to develop consistent data across organizational boundaries. There is no need to redefine skills or skills metrics for every department or location.

- Organizational change can be managed for maximum positive impact and minimized risk with the help of a detailed skills inventory. The skills inventory ensures that incumbent and new employees have the right skills to sustain productivity through every form of organizational change, including expansion, contraction, restructuring and mergers.

Compliance and Validation

- The skills inventory management system provides metrics that are used institutionally by all organizations in their report cards on health and performance. Government agencies and corporate departments both benefit from using objective skills metrics to prove employee skills readiness for mission-critical issues such as customer service, information security, or IT.

Certification

- Individual certifications are one form of skills recognition made possible through online skills measurement systems. Employees can improve and measure their skills, meet baseline criteria, and achieve corresponding certifications. Certifications recognize individuals that attain prescribed levels of excellence in skills that are considered mission-critical, or in skills that apply specifically to their job roles.
- Group certifications are awarded to organizations that attain prescribed levels of excellence that are linked to business and/or organizational objectives. As with individual certifications, group certifications provide a level of skills validation that can be easily recognized by customers, partners, and prospects.

Business Result: Performance and Cost-Savings

While skills-related best practices have now become a practical reality in many organizations, those practices are not typically viewed as ends unto themselves. Rather, they are seen as a means of achieving a variety of business goals. In both the public- and private sector, cost-effectiveness and productivity are crucial measures of performance. The skills of employees have a significant impact on both costs and productivity. By using best practices in skills measurement, enormous cost savings and performance gains can be achieved.

Eliminating Redundant Training and Education—Objective metrics help organizations reduce the waste associated with individuals participating in all forms of skills enhancement (training, education, etc.) for which they are over- or under-qualified. The cost savings can be realized in the reduction of training costs and the elimination of employee downtime associated with unnecessary training.

Optimizing Assignments—Today, managers traditionally assign employees to projects and assignments based on references or personal knowledge. An online skills system provides a quantified inventory of skills for employees across the organizations. As a result, assignments can be made to ensure that employees have the skills, and have the right level of skills to ensure assignment success. An enterprise skills inventory enables decision-makers to leverage the organization's complete talent pool to identify the right person for the assignment.

Ensure Successful Change Management—With a database of objective data on employee skills, decisions on organizational change can be made at the optimum time, and can be based on objective data rather than educated guesswork. The result is a successful initiative that avoids or minimizes the costs and productivity issues associated with organizational change.

Improve Hiring—One of the most common applications of skills measurement solutions is in hiring and recruitment. By pre-screening applicants with online skills assessments, recruiters can automatically identify applicants to progress to the next stage of the screening process, resulting in a dramatic acceleration of the hiring cycle. Skills metrics also increase the chance of making the right decisions on hires and promotions, reducing the attrition and turmoil associated with wrong hiring decisions.



Enhance Employee Impact on Key Business Measures—Skills measurement solutions provide a positive platform for increasing employee skills accountability. Individuals may be required to prove their ability in areas identified as mission-critical due to their impact on revenue, costs, customer satisfaction, or security.

Improve Human Capital Management—Skills metrics increase visibility into the human capital inventory for management, resulting in improved risk management and decision-making. (See this month's feature article for more about Human Capital Management.)

Executing the Skills Measurement Vision

Organizations as diverse as IBM, the United States Office of Personnel Management, and Wells Fargo have realized improvements in employee development and recruitment by measuring and managing skills consistently through an enterprise skills measurement system.

For any organization, the vision that drives skills measurement implementation will ultimately determine its ability to grow and deliver a positive impact on business effectiveness. Improved performance, cost savings, institutionalized best practice—these are compelling needs for every knowledge-driven workforce, and they are needs that are effectively addressed by an enterprise approach to skills measurement and management.