

CONDUCTING A SKILLS AUDIT.

Checklist 084

» INTRODUCTION

The aim of a skills audit is to identify the existing set of skills within the organisation and the skills and knowledge the organisation will need in the future. Often, what employees may have to offer can lay hidden because organisations simply do not know how to access or harness it. Skills audits are often undertaken at times when an organisation needs to restructure its business or refocus its strategy and direction. For example, technological developments may mean that certain skills are no longer needed but new ones will be required. Similarly, a decision to expand by embarking on a new line of business will also call for new areas of expertise.

Skills audits should not be seen as a one off exercise but rather as an ongoing process which is centrally placed within an organisation's training and development and talent management functions. It is important to understand that there is little value in undertaking a skills audit without first thinking about why it is being undertaken, how it will be conducted and how the results will be used. It is also vital to consider how the skills audit relates to work already carried out in the context of annual performance appraisals and training needs analysis, so as to avoid any duplication of effort.

Although the practice of skills auditing has been criticised for being overly bureaucratic and the process can be complex and demanding, if carried out with sensitivity and selectivity within a well-planned programme that is carefully maintained, skills audits can enable managers to:

- › gain a clear understanding of employees' skills and abilities
- › take advantage of previously unidentified skills in the workforce
- › redeploy employees to roles where they are better placed to use their full range of skills
- › assign the right people to the right projects
- › identify any skill gaps or areas of strength and weakness within the organisation
- › demonstrate commitment to the job satisfaction and career development of employees
- › plan for more effective recruitment and development activities.

The benefits for individual employees include:

- › better use of personal skills, leading to greater job satisfaction
- › more varied work, as employees from different departments are brought into cross-functional teams
- › more opportunities for promotion as suitable, in-house candidates will be more easily identified.

» DEFINITION

A skills audit is a process of measuring and recording the skills of individuals or groups of employees. The terms 'skills audit' and 'training needs analysis' are often used interchangeably. However, a distinction can be made between the two, in that a training needs analysis focuses solely on whether employees have the skills and knowledge to perform well in their existing job roles, while a skills audit takes a broader perspective of the

skills needed by the organisation, both at the present time and in the future. A training needs analysis aims to identify what training and development are needed, but skills audit looks to identify skills which exist within the workforce but are currently unrecognised and unused. Skills audits are often undertaken at times of change when the requirement for existing skills is in decline and new skills will be needed for the future.

» ACTION CHECKLIST

1. Obtain management backing

The time and resources needed to collect and analyse information on the skills of employees will be considerable, so estimate the costs, and ensure that you have the commitment of senior management to the project. It will need to be co-ordinated by a manager with project management experience who commands enough respect to get things done.

2. Define the scope

Define what types of skill and areas of experience should be recorded and (unless you plan to include the skills of all) identify employees who will be covered. The scope of the audit will depend to some extent on the context. You may wish to include areas such as formal qualifications, foreign language skills, technical knowledge and expertise, managerial skills. It is vital, especially in an evolving situation, to identify what skills will be needed by the organisation and ensure that these are included within the scope of the audit. Include a combination of 'hard' technical skills and 'softer' interpersonal skills and be aware that the latter are more difficult to measure effectively.

3. Consider using a competency framework

When auditing skills it can be very helpful to use a competency framework to assess skills, as this ensures consistency across the organisation and over time. A competency matrix can be created with definitions for each competency at various levels of proficiency, such as basic, intermediate and complex. Competency framework development and implementation can take time and effort as careful consideration must be given to identifying the issues that a competency framework could be used to address and defining the relevant measurements and success criteria.

4. Assign responsibility

Allocate responsibility for leading the project and decide who will be accountable for the collection of skills data. This could be a single person from each section or department in the organisation, who will gather information in their area and ensure that it is kept up to date.

5. Choose a data collection method

Three main methods are available for collecting skills data:

- › a questionnaire – these can be difficult to design and may be filled in poorly by employees, however, they can be a relatively inexpensive way to collect data
- › interviews – this will be more time consuming and personnel will be needed to conduct an interview with each employee. However, more information is usually gathered through interviews
- › a combination of questionnaire and interviews – in the case of a combined approach, employees would complete an initial questionnaire, with follow-up interviews as necessary.

These methods all involve employee self-reporting, and most people will inevitably report themselves in a favourable light. The inclusion of an element of 360 degree feedback can therefore, provide greater assurance as to the reliability of the information.

6. Train staff in data collection

Train those responsible for collecting skills data on the aims of the exercise and on the procedures for recording the data. Provide guidelines to ensure structure and consistency. Practice interviews can also be helpful if this method of gathering information is to be used.

7. Ensure compliance with privacy and data protection legislation

In the European Union, for example, rules have been established to ensure that personal data enjoys a high standard of protection. Under EU law, personal data can only be gathered under strict conditions and for a legitimate purpose. Organisations which collect and manage personal information must protect it from misuse and must respect certain rights of the data owners which are guaranteed by the law.

If your organisation is registered under United Kingdom data protection legislation, check with the nominated contact in your organisation how the law applies to the collection of skills data.

Registered data users are required to provide information to the Information Commissioner's Office on:

- › the personal data held and the purposes for holding it
- › the sources from which the data was obtained
- › the people to whom the data may be disclosed and countries to which it may be transferred.

They must also comply with data protection principles stating that personal information shall be:

collected fairly and lawfully and kept secure

- › used only for the purposes stated in the register
- › adequate, relevant and not excessive to the purposes stated
- › accurate, up-to-date and not held for longer than necessary
- › accessible to the individual concerned who, where appropriate, can have information about him or herself corrected or erased
- › transferred to countries outside the European Economic Area only if there is adequate protection.

Individuals can seek compensation through the courts if damage is caused by the loss, destruction, inaccuracy or unauthorised disclosure of personal data held by a data user.

If your organisation is based in the UK and is not already registered, contact the Information Commissioner's Office. (See Additional Resources below.)

8. Communicate with your employees

If employees understand why data is being collected and what the benefits will be, they are more likely to feel positive about it and be committed to the process. Successful promotion of the scheme will encourage employees to take part, and to volunteer information when they acquire new skills. Be aware, however, that those who are lower-skilled or more fearful by nature may feel threatened or fear being exposed as inadequate. It is easy to underestimate the impact this can have on morale and motivation. Do what you can to reassure employees, pointing, for example to opportunities for training and development that will be provided.

9. Gather the data

Stage I: let employees know who will be collecting skills data in their department or on their site, how the data will be collected, and who they can contact with any questions or issues.

Stage II: collect and input the data.

Stage III: promote the system within the organisation and make sure it is used (for example to fill a new post in-house or to put together appropriate project teams).

10. Make use of the data

Skills audits can generate a large amount of data, but it is all too easy for this to be forgotten. If this happens, the time and effort expended in collecting it will be wasted. Keep in mind that the data provides an overview of existing skills and knowledge throughout an organisation. Refer back to the needs identified at the outset and consider:

- › Are there unused skills which can be used now or in the future?
- › Are there people to whom new responsibilities can be allocated?
- › Are there people who could be redeployed or allocated to new project teams?
- › Are there any skills gaps which need to be filled through training and development or recruitment activities?

Ensure those with responsibility for talent management, training and development, the selection of project teams and recruitment are aware of the information which is available. This can then be used as appropriate for purposes such as internal selection, filling skills gaps, assigning new roles and responsibilities and for succession planning.

11. Evaluate the success of the system

Seek feedback on how useful the skills data has been for users, and broadcast successes by, for example, communicating them internally. Monitor any problems or complaints and modify the scheme as necessary.

12. Keep the system up-to-date

Ensure that the information is updated regularly, at least once a year, as out-dated skills data will not prove useful. Make sure that someone is responsible for removing the details of individuals who leave the organisation and adding the skills of new joiners. Keep track, also, of changes in the skill requirements of the business.

» POTENTIAL PITFALLS

Managers should avoid:

- › failing to carefully consider and define the skills they wish to identify
- › forgetting that the information held on the database must be secure
- › loading the skills audit with political or performance measurement overtones.

» ADDITIONAL RESOURCES

BOOKS

HRM and performance: achievements and challenges, Jaap Paauwe, David Guest, Patrick Wright
Chichester: John Wiley, 2013

Human resource practice, 6th ed, Malcolm Martin, Fiona Whiting
London: Chartered Institute of Personnel and Development, 2013

Talent economics: the fine line between winning and losing the global war for talent, Gyan Nagpal
London: Kogan Page, 2013

Talent intelligence: what you need to know to identify and measure talent, Nik Kinley, Shlomo Ben-Hur
San Francisco Calif.: Jossey-Bass, 2013

People resourcing and talent planning: HRM in practice, Stephen Philbeam and Marjorie Corbridge
Harlow: Pearson Education, 2010 (See Chapter 3 Competencies in people resourcing and Chapter 4 Human resource planning)

This book is available as an [e-book](#).

Key skills analysis: a resource for analysing job content and training needs for selecting training and development programmes, Lesley Howard and Rose Tor
Aldershot: Gower, 2001

This is a selection of books available for loan to members from CMI's library. More information at:
www.managers.org.uk/library

JOURNAL ARTICLES

Competency maps, Andrew J Hoskins
Training Journal Jul/Aug2014, vol. 51 no 4, pp 59-59

Doing competencies well: best practices in competency modelling, Micheal A Campion and others
Personnel Psychology Spring 2011, vol. 64 no 1, pp 225-262

Towards a learning organisation: the application of process based knowledge maps to asset management, a case study, John P Keane, Kevin D Barber and J Eduardo Munive-Hernandez
Knowledge and Process Management, June 2007, vol 14, no 2, pp131-143

These articles are available for members to download from CMI's library. More information at
www.managers.org.uk/library

RELATED CHECKLISTS

090 Training needs analysis

INTERNET RESOURCES

Competency Frameworks

http://www.competencyframeworks.co.uk/framework_advice_guidance.html

Consultant providing basic information on competency frameworks.

Skills audit: A toolkit for voluntary, community and social enterprise sector organisations

<http://www.voscur.org/skillsauditdownloads>

Downloadable guidance on conducting a skills audit.

European Union - Protection of personal data

<http://ec.europa.eu/justice/data-protection/>

Information on the EU Data Protection Directive.

ORGANISATION

Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF

Tel: 0303 123 1113 Web: www.ico.org.uk



NATIONAL OCCUPATIONAL STANDARDS FOR MANAGEMENT & LEADERSHIP

This checklist has relevance for the following standards:

- › Unit DA1: Plan the workforce
- › Unit DA4: Manage the redeployment of people
- › Unit EC5: Use information to take effective decisions



MORE INFORMATION

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Revised Oct 2014