Lexonis

Lexonis • White paper

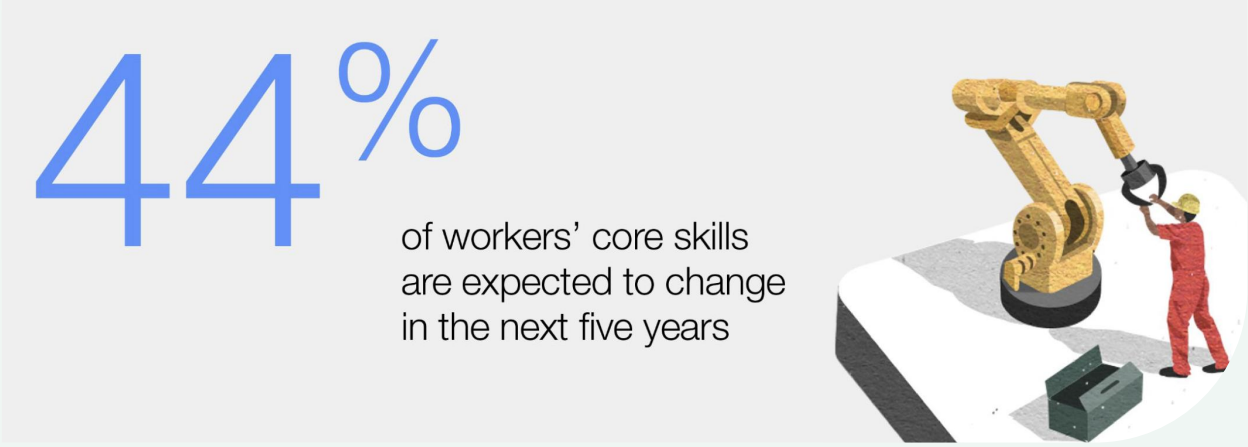
6 Step Guide: Identify, Analyze, and Act on Skills Intelligence Data



Introduction

Data is reshaping our lives and work. Whether it's collecting real-time data from machinery like a jet engine to enhance performance or tracking online browsing activity to personalize advertising, data is uncovering new insights and guiding decisions. For Human Resources (HR), data that delivers skills intelligence – an understanding of the skills to drive business performance - has emerged as a critical requirement and enables HR to play a strategic role at the top table. With skills data at their disposal, HR teams can attract and retain the best talent, boost engagement, strategically invest in Learning and Development (L&D), and more to deliver greater value to the organization.





Source: World Economic Forum, *Future of Jobs Report 2023*.

Why Skills? Why Now?

Skills encompass individuals' abilities, knowledge, and expertise necessary to perform specific tasks or activities. Distinguishing between skills and merely inferring capability based on past experiences or education is becoming increasingly vital. This is because the skills required to fulfill a job or support an organization's strategy are evolving rapidly. According to the Future of Work report by the World Economic Forum, 44% of the skills needed for the global workforce to excel in their roles will change by 2025. Hence, past job experiences or academic qualifications are becoming less reliable indicators of current job performance. While emerging technologies like AI contribute to some of this change, much of it is driven by the shift towards project-oriented business cultures. "Soft skills," or more aptly termed "Power Skills," such as teamwork, conflict management, communication, and problem-solving, have become increasingly pivotal to an employee's success or failure. Reflecting this change, six of the World Economic Forum's top ten skills for 2025 are Power Skills.

What is Skills Intelligence Data?

In the healthcare sector, skills intelligence data refers to insights derived from analyzing the skills needed within an organization against those possessed by employees. This data guides HR in various crucial functions, including recruitment, training, and succession planning. This white paper explores how HR teams can unlock skills intelligence data through a tailored 6-step process.

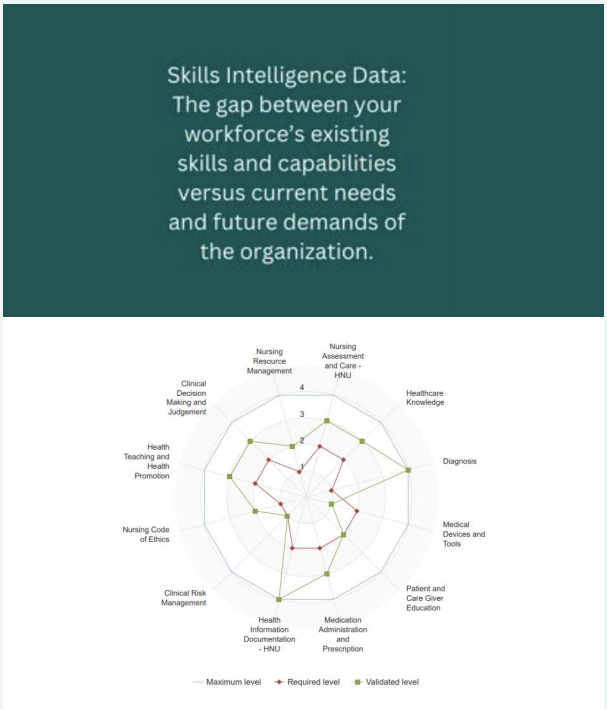


Figure 1: Skills gap analysis.

Step 1: Identify Skills for Existing Roles

The initial step involves modeling the ideal skill set for existing job roles within the organization. Job role analysis methods are used to create these models, focusing not on exhaustive lists of tasks but on understanding how successful employees spend their time and the underlying skills that contribute to their success. It is important to include employees in the role and their managers in this process, focusing on real-world examples to extract the skills that drive success.

The key to successfully running these interviews is to focus on real-world examples both of successes and failure, in other words, a lot of 'tell me about a time when...', and to extract the skills that led to success or would have been helpful in to avoid failures. As this process is applied across multiple roles, it's important to look for transferable skills. These are typically soft or power skills that start to show up as important to success across multiple roles – this will become more important as you move through the process. The Lexonis' skills frameworks greatly accelerate this process.

In addition to identifying skills, documenting and tracking regulatory compliance requirements in healthcare is of paramount importance due to the highly regulated nature of the industry. Failure to comply with these regulations can result in severe consequences, including fines, legal penalties, loss of accreditation, and reputational damage. Moreover, compliance ensures patient safety, data security, and quality of care delivery. By tracking regulatory requirements proactively, healthcare organizations can mitigate risks, maintain operational efficiency, and uphold their commitment to providing safe and effective healthcare services to patients.



Step 2: Identify Emerging Skills Requirements

The next step is to identify the skills your workforce needs to stay competitive in the future. Successful companies continually evolve by penetrating new markets, introducing additional services and products and improving existing ones. Skill forecasting, though not an exact science, begins with a thorough grasp of the organization's strategic direction and the skills essential for its execution along with an understanding of how the market is changing. Strategic planning methodologies and tools such as scenario planning and PESTLE and SWOT analysis are useful for surfacing future skill requirements. Once these skills are identified, they then need to be mapped to specific roles in the organization or “parking lotted” to designate they don’t have a home and the organization needs to consider either extending existing roles or creating new ones. So it is also crucial to involve those who have a strategic view of each role in the process, what it will need to look like and which skills will be required in future years.

Step 3: Define Skills & Proficiency Levels

To transform skills definitions into actionable data, a simple word or binary description of a skill is insufficient. Skills need to be defined and measured, which requires a clear description of the skill and a continuum of proficiency levels. Ideally, these proficiency levels (See Figure 2, an example from the IBM Talent Frameworks library) should include evidence indicators expressed as action verb statements. Action verbs are better suited for assessing whether a person has demonstrated a skill at a specific level or not. For each job role, a proficiency level is selected to define the expected skill performance within that role, determining which skills and proficiency levels are necessary for successful job execution.

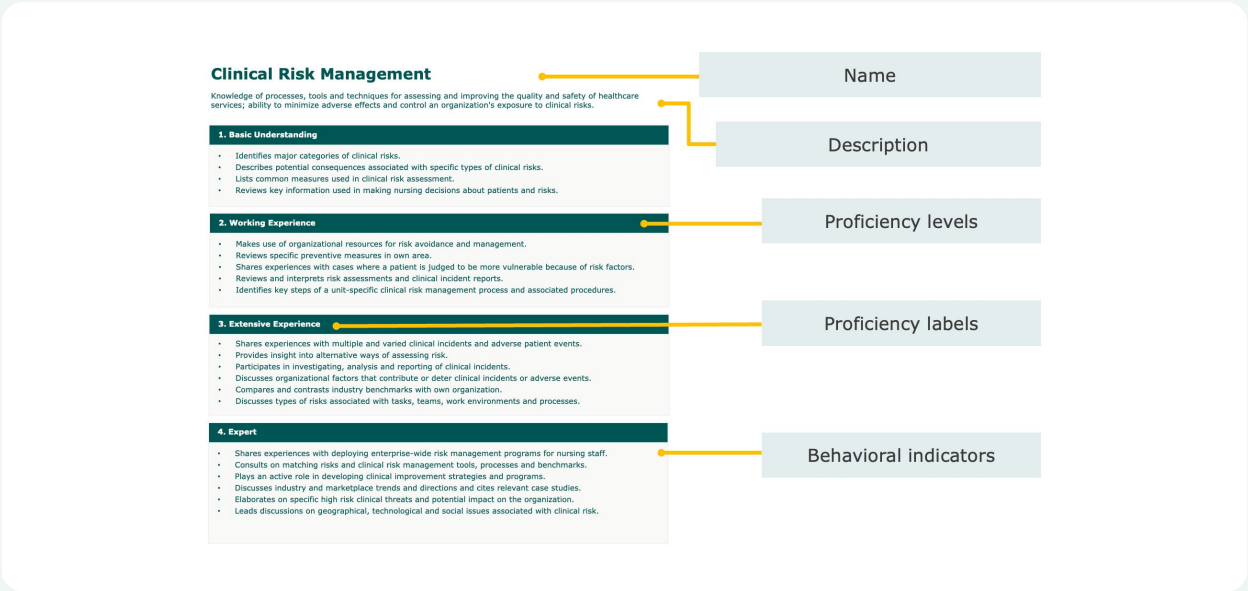


Figure 2: Skill definitions with proficiency levels.

Step 4: Validate Skill Profiles

Once a skill profile is developed for a role and proficiency levels are defined, there's often a need to confirm or further narrow the skills and to decide what level of proficiency of a skill is needed for a given role. At Lexonis, we have had increasing success with using our online survey tools to scale this process and include a much broader set of stakeholders from across the organization. The data that we capture using our online tools helps us to answer the following questions:

- Which skills did most people select for the specified job?
- What proficiency levels did they choose and what was the average proficiency level?
- What was the priority ranking for each skills chosen i.e. how important did people rate the skills for the job?

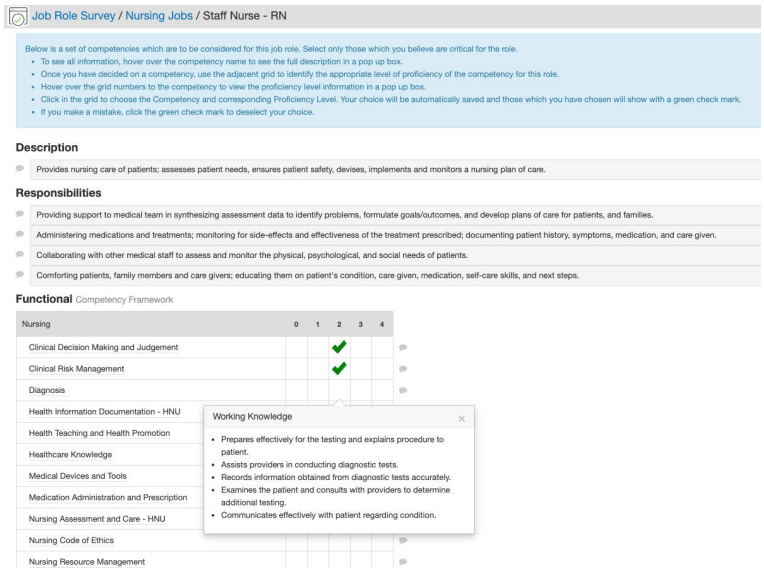


Figure 3: Interface to capture feedback on job requirements.

For this approach to work the interface must be very simple to use – ours is. The user reads the instructions provided and for the specified job (Information Security Architect) they can review the descriptions of the skills and behaviors, select them if they are deemed critical to success for the job; they can select the proficiency level and provide feedback on the job description, key responsibility statements and other client-defined fields. For instance, in this example, the participant has chosen Application Security at proficiency level 3 as a skill critical for success in this job, based on the description of the behaviors for that proficiency level.

Step 5: Update or Create a Job Architecture

A job architecture (sometimes called job structure or job catalogue, or hierarchy) refers to a schematic of how jobs within an organization relate to one another. Job architecture typically incudes: job function, job families job levels, job titling conventions and career paths.

Job Functions

Description of roles based on recognized professional domains or areas of expertise. These include operations, finance, engineering, procurement, and more.

Job Families

Job families are a way to categorize roles that perform similar types of work and may require similar skills, knowledge, and/or expertise. Historically, job families were a subset of job functions, but today with matrixed organizations and organization structures, job families may include roles from across multiple functions.

Job Levels/Bands/Grades

Job levels denote the stature of a position such as entry-level, mid-level, senior-level or executive. These levels provide insight into an individual's progress in their career journey and a perspective on potential growth opportunities within and between families.

Titling Conventions

The titling convention provides governance based on a set criterion as to how a role will be designated with a universal set of descriptors like specialist, manager, or director. These conventions help organizations avoid title creep where titles are negotiated or designated without basis.

Career Pathways

This refers to creation of potential career advancement paths, either vertically within a function (promotions), horizontally across functions (transfers) or diagonally (promotion and/or transfer). Career pathways provide visibility of traditional, linear progression routes and non-linear pathways that reflect an aspiring employee’s fit based on their transferrable skills or potentially adjacent skills.

A job architecture provides governance for talent management applications including workforce planning, career paths, compensation and succession planning. Without a systematic job architecture, organizations run the risk of building their talent management strategy on a faulty or inequitable foundation.

Step 6: Assess Individual Skills

Simply identifying which skills and competencies are needed for business success is not very useful if the organization does not know which ones their current employees possess and the degree to which they possess them. The next critical step is to assess and validate employee skill levels. Historically, organizations have captured their skills data in spreadsheets or not at all, but there is much new technology available that has made it possible to do this at scale and more easily such as Lexonis TalentScape. There are several ways to assess and capture the assessment of employee skills. The following are some examples along with key characteristics, but this is not an exhaustive list:

Multiple-choice Exams and Tests:

- Metrics: Well-defined - pre-set questions and answers with score-to-level mappings.
- Repeatability: Very good - same score returns same level.
- Flexibility: Poor - only achieved by expanding range of questions asked.
- Type: Objective.

In-depth Structured Interviews:

- Metrics: Defined - interview has a defined structure and metrics for assigning assessment levels.
- Repeatability: Good - defined structure of interview ensures that the interviewees' experience will be largely similar.
- Flexibility: Good – interviews have scope for tailoring questions and assessment to interviewee responses.
- Type: Mostly objective, elements of subjectivity.

Self-Assessment with Manager Validation (Figure 4):

- Metrics: Limited – only metrics in place are based on skill description interpretation.
- Repeatability: Average – limited number of assessors, plus capacity to have a detailed discussion of assessment allow the assessment to be repeated for individuals.
- Flexibility: Good – Self-assessor can draw on different evidence grounds based on their own experiences, but manager validation ensures that these grounds are quality-checked for accuracy.
- Type: Mostly subjective, elements of objectivity.

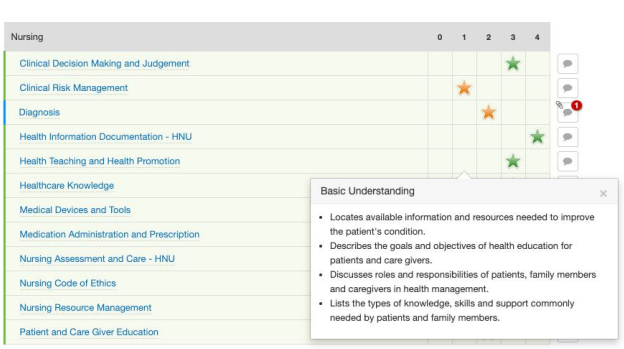


Figure 4: Self-assessment with manager validation.

Peer-Feedback

- Metrics: Limited – Peer feedback has defined assessment structure, but content of assessments are only constrained by assessor interpretations of skill definitions.
- Repeatability: Limited – each assessment is the result of a unique set of assessors, meaning that each assessment will be nearly unique.
- Flexibility: Very good – plurality of perspectives from different assessors ensure that the overall assessment will provide a very broad set of assessment inputs for the individual.
- Type: Subjective.

Mining the Data

Once the assessments are complete, there is a lot of data available to better understand what the organization's capability looks like. The following are a few examples of the insights revealed by utilizing skills intelligence data.

Individual Skills Gaps

An individual employee's skills gaps (See Figure 5), refers to the difference between the skills that are required for them to perform their job successfully and the skills and levels of proficiency that they possess. This is why the definition of job roles using skills with proficiency levels is so important – it is not possible to quantify a skill gap if no proficiency levelling is in place. This data can be used by the employee to direct their learning and by managers to inform coaching and performance conversations.

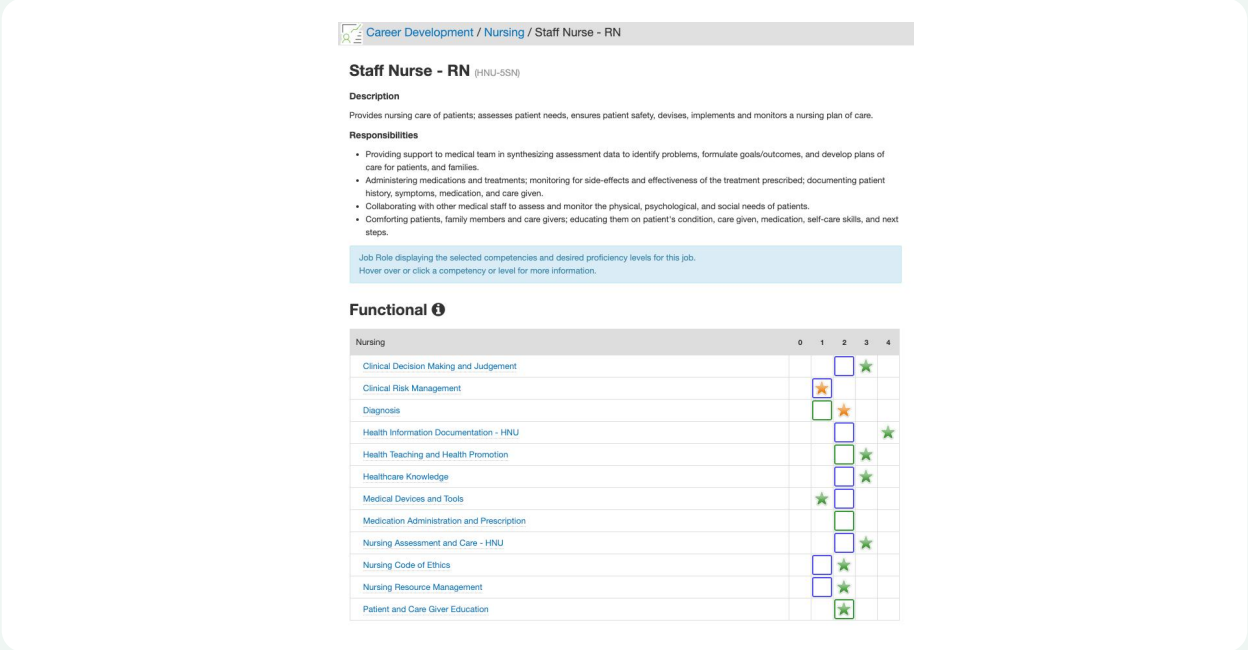


Figure 5: Individual skills gap analysis.

Career Pathways

Once skill data is set, software, like Lexonis TalentScape, can use that data to highlight other roles that may be a good fit for an individual's career development based on their skills. In Figure 6, you can see how roles are presented as a traditional progression; roles can also be suggested based on the individual's matching skills.



Figure 6: Career pathways.

Capability Grid and Compliance Tracking

Software like Lexonis TalentScape can include views such as the Capability Grid (see Figure 7), which provides an overview of the organization's capability against each of the skills and levels included in the skills framework. This data can be used to identify areas of strength and to spotlight capabilities that require development or recruitment for the organization to successfully deliver its objectives.

Views such as the Capability Grid are also useful for compliance tracking. Used for this purpose, each employee skill may have an expiry date and for regulatory compliance purposes, views such as the Capability Grid can surface skills that are due to expire and that will require updated certification, qualification and refresher training. Skill assessments can also be configured to incorporate different types of evidence, which for instance, may be a regulatory requirement for that skill.

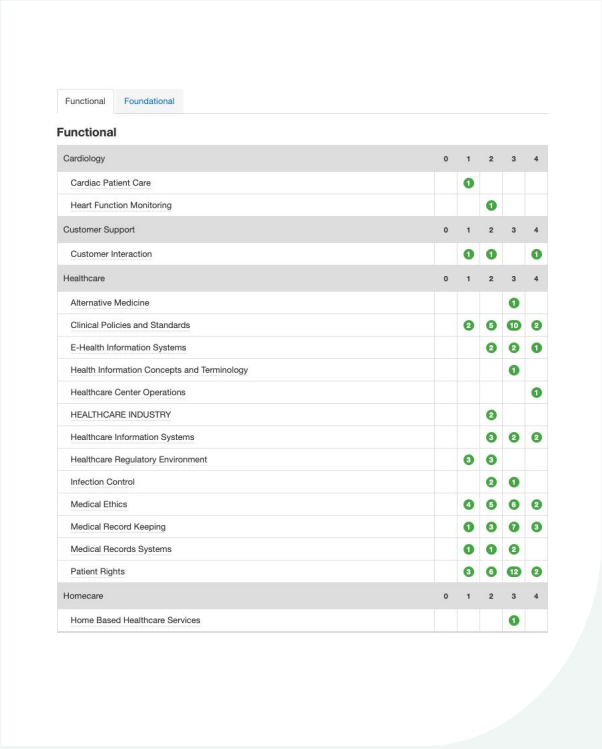


Figure 7: Capability Grid.

Organizational Skills Gaps

At an organizational level, when there is a skills gap, it means that there is a mismatch between the skills that are needed for the organization to be successful and the skills that are currently available through its workforce. Skills data can be aggregated to show when employees are assessed below the required skill level for their job. In Figure 8, the number in each circle represents the number of employees assessed and validated at that level who require a higher level of proficiency based on their job role. This data provides a very clear roadmap for where an organization needs to develop or hire new skills.

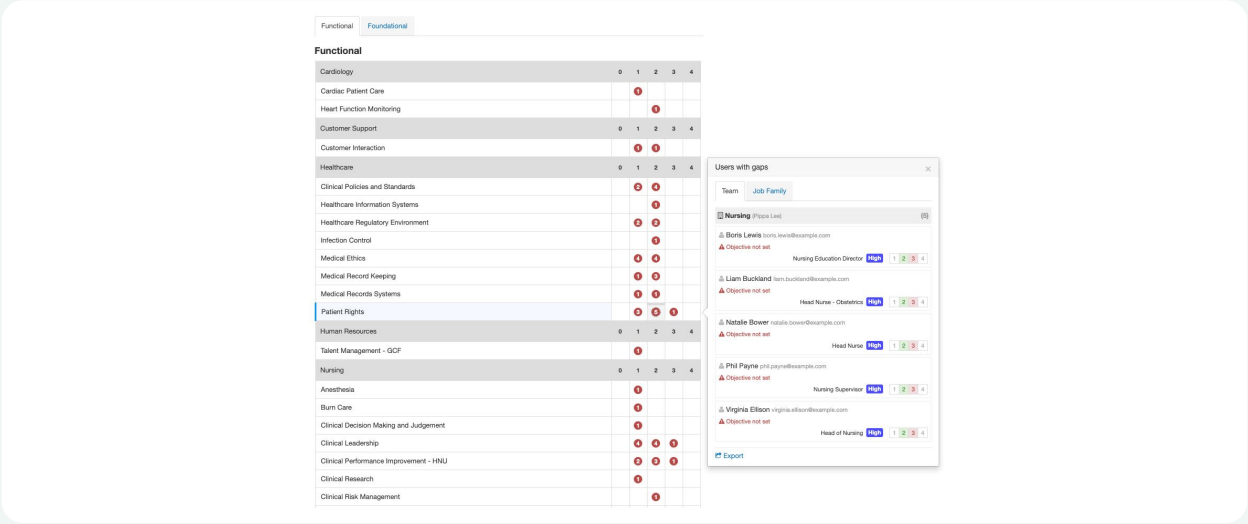


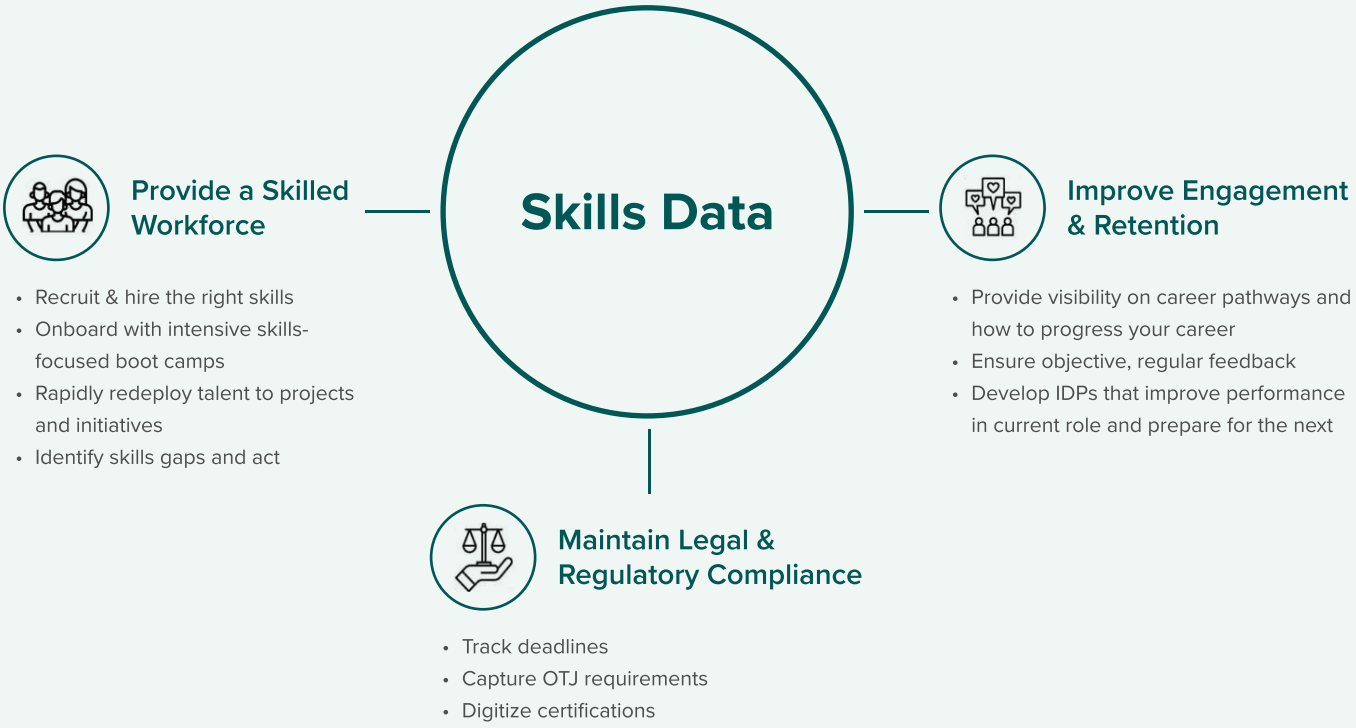
Figure 8: Organizational Skills Gap Analysis.

Conclusion

For organizations to succeed in an increasingly complex and rapidly changing job labor market requires new tools and approaches. HR teams need data that will:

- Help to focus internal or external hiring efforts to close critical skills gaps.
- Provide visible and actionable career pathways that support employee engagement.
- Ensure employees get objective, constructive feedback to improve engagement and retention.
- Surface business-led learning and development needs and the programs needed to address them.
- Provide visibility of certifications, credential management and on-the-job training to ensure legal and regulatory compliance.

Capturing and acting on skills intelligence data is a very powerful approach to fulfilling the above requirements and one that provides HR and Talent Management teams data that they can act on. Furthermore, such data boosts organizational performance and enable HR to play a strategic role within the organization.



Are you ready to take the next step in your skills initiative? Let's talk.

Get in touch

UK and Rest of World

info@lexonis.com

Innovation Centre,
99 Park Drive, Milton Park
Oxfordshire, OX14 4RY

+44 (0)208 089 6899