

# **Skills-Based Change Management**

How to ensure that employees have the skills they need to accomplish organizational transformation.

# How do skills and skills inventory management affect your ability to make change happen within your organization?

What does “organizational transformation” mean to your company? For today’s knowledge leaders, the ability to manage change determines survival and success. Mergers, acquisitions, new technologies and new processes—these are all common issues that companies must face as they evolve. That’s why executive decision makers are creating and executing strategies for managing change at all levels. But while transformation may begin at the “top,” the ultimate success of any program lies in the willingness and ability of employees to make it happen.

Learning lessons from past initiatives, companies are placing a renewed emphasis on the role of employee skills. IBM is giving employees a skills measurement system for accelerating acquisition of new skills. The U.S. Office of Personnel Management is using skills measurement to help government agencies become a desirable alternative to private sector companies as employers for skilled IT employees. And Wells Fargo is giving its top IT employees a path for continued change as new technologies bring new skills into demand.

Decision makers are measuring skills when managing change and capturing value in the process. They are recognizing the value of metrics for fueling improvement. What gets measured gets managed, and what gets managed gets better. Skills inventory management strategies are giving managers and employees the ability to verify the skills needed to ensure success, pinpoint skills gaps before they compromise the initiative, and improve skills to meet changing needs.

## Online Measurement System Pinpoints Skills Gaps That Could Affect an Initiative

While many new initiatives make strategic sense at the executive level, companies have struggled to find ways to ensure that those initiatives survive the challenges of execution. Namely, they have sought effective tools for gauging skills requirements and for measuring and comparing the skills of current employees against those requirements.

A skills inventory management system, backed by objective skills metrics, gives decision makers the data they need. How does it work? The process is simple. A skills inventory begins with a skills measurement system that enables employees to access online skills assessments through the company intranet. When a company implements a new technology, for example, managers may have their employees take a test for skills related to that technology. The online system delivers scores immediately, with results that show whether the company has the skills for that new initiative, or whether there is a skills gap that needs to be addressed before the initiative is launched.

Participant Name	Test Name	Track	Score	Date Taken	Org ID	Geographical Location	Job Code	Department	Percentile vs Brainbench Data
Lee, Charles lee@test.com	Oracle 8i	Change Init	3.79	2002-3-17	Engineering	West	ENG01	Blue Team	94
Lee, Charles lee@test.com	Oracle 8i	Change Init	2.35	2002-1-20	Engineering	West	ENG01	Blue Team	45
Manville, Anthony manville@test.com	Oracle 8i	Change Init	2.54	2002-3-10	Engineering	West	ENG01	Yellow Team	48
O'Hara, Cathy ohara@test.com	Oracle 8i	Change Init	4.67	2002-2-15	Engineering	East	MGR01	Red Team	98
Goldsmith, Arthur goldsmith@test.com	Oracle 8i	Change Init	2.56	2002-1-10	Technology	East	ADM01	Yellow Team	54
Hauser, Chris hauser@test.com	Oracle 8i	Change Init	4.66	2002-3-21	Engineering	East	PGR01	Yellow Team	99
Smith, John smith@test.com	Oracle 8i	Change Init	4.66	2002-1-27	Engineering	West	ENG01	Blue Team	99
Wu, Brett wu@test.com	Oracle 8i	Change Init	4.66	2002-3-21	Engineering	West	PGR01	Red Team	99

With an online skills measurement system, managers can track skills down to the individual level. In this report, a company measured the skills of employees who would be working with the company's new Oracle 8i software when it was installed. The baseline skill level was established as a score of 2.75. Individuals with scores below the baseline can be easily identified (circled scores), enabling managers to pinpoint training or skills development needs.

## **Automated Individual Feedback Gives Employees Responsibility in the Change Process**

For many companies, the ability to hold employees accountable for developing skills can prove crucial to success. This means establishing a need in concrete terms (in this case, a baseline score in a particular skill) and holding the employee accountable for building a skill to meet that baseline. Traditionally, companies have been forced to rely on subjective information, such as self-ratings or manager/peer feedback systems. In many cases, these ratings prove inaccurate when the employee is faced with using the new technology or acting on the new strategy being implemented. Such systems are also periodic rather than continuous. As a result, the timing of the need for information and its collection often do not coincide.

An objective measurement system enables companies to avoid the pitfalls of subjective measurements by delivering immediate scores directly to the employee after an assessment is taken. The employee can then take action to improve the score as needed and measure progress in learning a new skill. Employees can immediately access detailed information about their skills strengths and weaknesses as well as recommended learning tools. They can also take repeat assessments to track improvement.

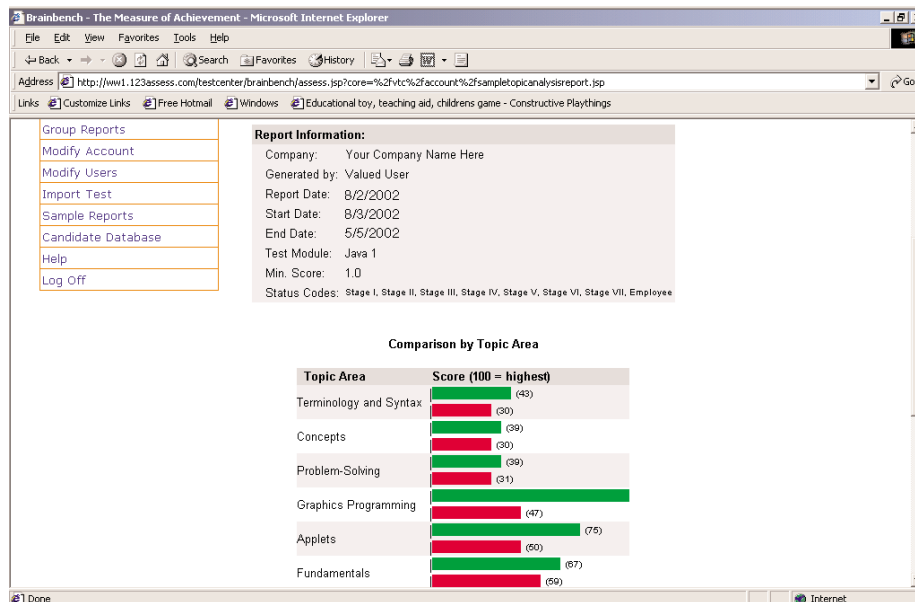
The importance of skills accountability is often as significant in the client organization as it is internally. Software provider Information Builders is one such example. For its clients to succeed with Information Builders' software in their software development programs, client employees must have a level of familiarity and skill with the company's product. Information Builders addressed the issue by giving training to select employees in client companies and then supporting that training with skills assessments. The result: the role of employee skills in client success was defined in objective terms that all could understand.

## Objective Skills Data Provides Leading Indicator for Action and Measure of Success

Set goals. Determine the skills needed to meet those goals, and identify skills gaps. All of these steps in the transformation process can be facilitated at an enterprise level through an online skills measurement system. But how do all these tactical steps add up to a strategic advantage? For a growing number of companies, the answer lies in the forward-looking nature of skills metrics.

A skills inventory gives companies a unique window into a group’s future performance capability. When a skills gap is revealed, the system allows managers to implement a proactive plan of action toward correcting that gap. A corrective action may include training or redeployment, or it may simply put the responsibility for skills improvement in employees’ hands, with a repeat assessment as a measure of progress.

Can such forward-looking skills inventory management measures have a bottom-line effect? Consider what’s at stake when a new IT system or component is deployed. The inability to effectively use new resources to their fullest potential can result in costly delays, lost business, or abandonment of the project. A skilled project team, on the other hand, can deliver dramatic improvement in client satisfaction, reduce technology deployment time, and lead to improved performance moving forward.



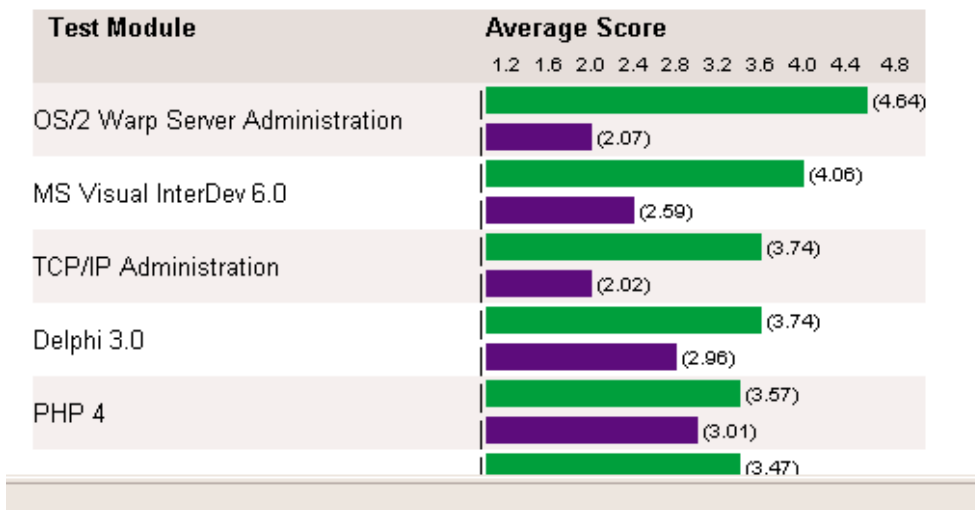
This report reveals specific action-oriented items related to a particular skill (in this case, Java 1). The “Comparison by Topic Area” compares employee skills (green bars) to averages across a larger database (red bars) to reveal specific areas of strength or weakness.

## Skills Inventory Management Facilitates the Capture of Value

Without continuous executive-level support, an initiative that began with enthusiasm can easily fade into a cycle of inaction and apathy. To prevent this from happening, it is imperative that value gets captured at every opportunity. An objective skills measurement system gives companies the data to assess skills readiness, diagnose skills gaps, and document skills improvement.

Managers can capture objective skills data and compare it to a database of industry norms, or they can compare “before and after” assessment results to gain a picture of skills improvement across the organization. In the case of the industry comparison, the resulting metrics quantify value in the form of skills readiness (revealing the organization’s ability to accommodate the change initiative). In the latter case, skills improvement metrics can reveal a percentage increase in skills levels—a compelling indicator that demonstrates that progress continues to be made.

Average Scores by Test Module



This report shows average assessment scores for employees in specific subjects (green bars) and compares those scores to averages from a larger Brainbench database of test-takers (blue bars). The results attach a quantifiable value to skills levels across the organization.

## **Managing Skills for Organizational Transformation—Changing for the Future**

The need for organizational transformation extends across industry—from manufacturing, technology and finance, to healthcare, education, and federal government. A growing number of decision makers are recognizing the value of skills inventory management for facilitating that transformation. They are taking control of vital skills through strategic use of online measurement, feedback and improvement resources.

Measure skills readiness. Ensure employee skills accountability. Take forward-looking action. These are all critical actions enabled by skills inventory management. A skills inventory fueled by an objective skills measurement system provides a reliable resource for ensuring that employee skills contribute toward achieving a successful transformation initiative.

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