Online Skills Metrics and Human Capital Management?
Tools and Strategies Deliver Performance Results

To maximize return on investment in employee selection and development, smart companies are integrating what have traditionally been separate HR initiatives into a cohesive "hire to retire" Human Capital Management strategy. This approach enables HR executives to earn their place at the table with the rest of the executive management team by delivering strategically relevant services that produce quantifiable results. Developed to integrate all the tools and processes associated with people and performance, the Human Capital Management approach aligns the goals of employees and the goals of the company to meet specific, measurable, and realistic business objectives.

While the promises of Human Capital Management are great-increased adaptability, enhanced workforce performance, and the ability to do more with existing resources-the challenges are significant. To deliver results, strategic decision-makers in the Human Capital Management initiative must integrate actionable, objective, and relevant information about employee skills and capabilities. They must put that information to work on multiple fronts, from organizational design and workforce planning to recruitment, employee development and performance management.

For managers and other strategic decision-makers faced with the task of keeping their initiatives moving forward, there's good news. While the processes associated with Human Capital Management are diverse, the skills component that drives many of those processes can be managed effectively through online skills measurement systems.

The Human Capital Management Landscape
Online skills measurement systems provide objective metrics to support many applications of Human Capital Management Best practices.

Organizational Design	Workforce Planning and Deployment	Recruitment	Development	Performance
Strategic Alignment	Skills Inventory	Job Posting (Advertising)	Training	Balanced Scorecard
People and HR Strategies (EVP, etc.)	Gap Analysis	Applicant Tracking	Continuing Education	Employee Evaluation
Competencies	Succession Planning	Pre-employment Screening	Internal Development Programs	Employee Surveys (ESI)
Culture	Mobility	Agency Management	Certification	External Benchmarks
Managing Good/Poor Performers	Change Management	Vendor Management	Mentoring/Coaching	Customer Surveys (CSI)

Orange—Primary application of online skills measurement
Yellow—Secondary application of online skills measurement

Organizational Design—Online skills measurement systems provide a base of consistent and pre-defined skills requirements and descriptions. This feature can dramatically accelerate the development of competency models and help companies adapt them quickly to meet changing job requirements.

Workforce Planning and Deployment—Skills metrics provide a roll-up view of skill levels across the organization, clearly revealing skills gaps so that managers can focus their training and development resources. Detailed assessment scores in key skills can help companies quickly identify and prepare employees with the competencies needed to fill in key job roles as proven performers move or retire. Finally, skills metrics can help employees move within the company by establishing skills milestones for career advancement and requirements for new positions.

Recruitment—Recruitment is the most common application of skills measurement systems. Companies can improve their screening processes by creating direct links from job postings to tests and scored questionnaires. Skills metrics can be included as part of an applicant tracking system to support recruiting decisions throughout the hiring cycle. For pre-employment screening, online skills assessments can validate candidate qualifications and identify candidates for advancement in the hiring process, quickly and effectively.

Development—By implementing online skills measurement systems, organizations can dramatically accelerate employee skills development. Skills assessments can help companies quickly identify employees who need training in a particular skill, as well as those who don't need training, helping to avoid unnecessary training costs. Pre- and post-training assessment scores also provide data for the precise measurement of training effectiveness.

In addition to helping to focus training efforts, skills measurement systems give employees online, "anytime" access to skills assessments and learning resources. As a result, employees can improve skills and assess their progress on a continual basis. Employee skills certifications add a dimension of validation to online skills measurement systems. By meeting or exceeding baseline assessment scores, employees receive certification—an effective tool for demonstrating skills readiness to the employees themselves, as well as to customers and partners.

Performance—Skills measurement systems provide key advantages for managing and improving performance, particularly in relation to balanced scorecard initiatives and in the employee evaluation process. To a large extent, balanced scorecard initiatives are driven by metrics. Online skills measurement systems provide a valuable source of metrics that can easily be gathered for gauging critical skills across the enterprise.

For the employee evaluation, performance can be determined by a multitude of factor. However, many performance determinants, such as manager or peer reviews, depend on subjective feedback. Skills assessment scores provide a valuable source of objective data to support the employee evaluation process, with a level of detail that enables employees to track improvement in existing skills, as well as to validate the acquisition of new skills.