

## Skills Audit: The necessary steps in a Skills Audit

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A skills audit is a process of taking stock of what skills are within the organisation versus what is expected. The skills audit should always cover the following, and this is in order of priority: cognitive ability; organisation specific competencies; technical competencies (specific to each job family or role, for example, finance employees must know management accounting, tax law etc.); soft skills specific to each job family; qualification and experience. Below I list some of the mistakes organisations make and how to fix them.

- 1. The skills audit is not addressing any business problem.** You cannot carry out a skills audit simply because others are doing so. The starting point in the audit should always be the business. What is the business case for a skills audit? I have noted that sometimes organisations carry out the audit when there is no business problem to be addressed by the audit. In such cases the audit will be viewed as a “witch hunt” by the employees. The best way to address the business need for a skills audit is to frame the question as a hypothesis, for example: “The business is not delivering on its mandate because of lack of skills in critical roles.” When you carry out the skills audit you are now trying to prove or disprove the above hypothesis. The hypothesis here implies that if we close the skills gap, the organisation should benefit in the form of improved organisational performance. You must always have data for the before and after implementation situations to validate performance changes that are emanating from closing the skills gap.
- 2. Equating a skill audit to qualifications and years of experience audit** – The majority of the audits focus on checking if people have the right qualification and years of experience. Remember qualifications and years of experience have a very weak correlation with individual performance. Putting emphasis on these two in your audit is prioritising the wrong things. I am not saying do not include qualifications and years of experience. You can include the two but you must give less weight to it. Yes, people must have the minimum qualification and years of experience for each role but this must not take centre stage in your skills audit.
- 3. Starting in the middle of the process** – This is a very common mistake. You start by defining what skills and abilities are required by the business now and in the future. You must always remember that the audit cannot just be focused on the present situation. You must check if you have the skills for the future as well. One way is to start this process by defining a competency model for the business anchored on the business model and business strategy. For example, an organisation can decide that success in this particular organisation is defined by the following competencies: business acumen, customer focus, leadership, project management skills, ethical behaviour etc. These competencies are mandatory for each employee because they are organisation specific. After this you go down the hierarchy and look at job family specific competencies, for example, for people in finance, the competencies could cover attention to detail, presentation skills, resilience etc.
- 4. Not knowing how to assess** – One of the biggest challenge for anyone doing a skills audit is what method to use when assessing the presence or absence of a skill. Organisational specific

competencies and role specific soft competencies are assessed through assessment centres. Technical competencies are assessed through a 360 degree assessment or through a subject matter expert panel. Cognitive skills are assessed through psychometric tests, while other soft skills can be assessed through emotional intelligence and personality profiling. You can assess qualifications by asking each employee to provide original certificates to support listed qualifications. You can go a step further and check with awarding institutions if the qualifications are authentic. Verify employee experience through reference checks.

At the end of all the above processes, you should be able to present a comprehensive report listing the skills health of the organisation: overall, by department and by role. The report will present, graphically, which areas are problematic (where there are skills gaps). If the gaps are on the cognitive side you have a much bigger problem because cognitive skills or general mental ability cannot be corrected once the person is inside your organisation. It could point out to a faulty selection system in your organisation which allows people who do not have the cognitive capacity for target roles to join the organisation. The same challenge will exist if the personality profiles do not match the roles people are in. These two shortcomings cannot be corrected as they are partly genetics and childhood experience. After childhood you won't be able to do anything regarding these two. If the gaps are in the competencies such as business acumen, presentation skills etc., qualifications and experience, these can be developed. The organisation must only focus on the development of people who have the cognitive ability/aptitude for the target role. If you find technical deficiencies (domain specific knowledge) in the technical areas these can be addressed through training.

The last thing you need to do in the report is to combine the output of his process with actual job performance records. You must end up with a quadrant which places people into the following categories: low potential – high performance (workhorse, you can keep in current role), low potential – low performance (manage out), high potential – low performance (develop) and high potential – high performance (retain).

The results of the skills audit can also feed into your succession planning process easily as the same evidence gathered is crucial for succession planning.

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