

Points of view & Perspectives

How to align employees' skills with company's strategic objectives?

In the context of a knowledge-based economy, where the human capital plays an increasingly important role, the implementation of a real HR strategy becomes essential. The objective of this strategy is to build and manage the best skills base for the overall success of the organization. Concretely, this HR strategy consists of setting up skills management actions to match the available skills with those required to ensure both the current functioning and future development of the organization.

This alignment challenge is today even more important as changes in the business environment are increasingly rapid, particularly those related to new technologies, and therefore require constant adaptation of employees' skills.



85 %

of jobs in 2030 do not exist today

according to a report by Dell and the Institute for the Future ("Human/Machine Partnerships")

To meet this challenge, it is fundamental to identify critical skills, i.e. those that generate a competitive advantage for the company and enable it to achieve its strategic objectives. For example, changes in customer behaviour in the digital age make it necessary to master knowledge (knowledge) and know-how (practices) more sophisticated, but also to master interpersonal skills (relational behaviour) for employees in direct contact with the customer. It is indeed this last aspect that many companies are trying to develop in order to bring, in an increasingly digital customer experience, more value to customers who are often very well informed and autonomous.

Once these skills have been identified, it will then be possible to measure the gaps with existing resources and define a strategy to develop the missing skills. This document presents in more detail such an approach, which is outlined below.



1. Define a skills map that fits the company's strategic ambition

Fig1 : Example of a skills radar for the "Sales" activity



To make skills management the core of HR strategy, it is essential to define the company's competency needs. In order to establish an adapted mapping of these needs, it is also necessary to combine two elements:

- the business need, which defines the skills required by the tasks (stable skills)
- the company's strategic plan, which defines the skills required by the objectives (critical skills)

This approach makes it possible to compare a top-down and a bottom-up vision, in order to better weigh the reality on the ground without losing sight of the direction in which the company is heading in the long term.

It is essential to recognize that these skills are dynamic. It would be very damaging to remain on a static mapping of skills needs at a time when the environment is pushing them to evolve. Thus, new technologies lead both to the creation of new businesses (data exploitation, software design or maintenance) and to the modification of existing businesses (communication, marketing and sales are increasingly linked to digital with Web marketing, SEO...). The video game industry is a good example: video game consoles change every 5 years, so there is a need to renew game design and programming skills every 5 years.

2. Evaluate existing skills and measure gaps

Fig. 2 : Example of a skills gap assessment for the "Sales" activity



Once the mapping of skills needs has been established, the challenge is to measure the gap between the skills needed for the company's ambitions and their current levels of mastery in the company.

In concrete terms, this means assessing employees' individual skills in terms of knowledge, know-how and interpersonal skills.

How to assess employees' skills and measure gaps:

This competency measurement can be carried out via two main methods:

- Declarative method: employee self-diagnosis based on precise questions and level scales or co-diagnosis between the employee and his or her supervisor, based on an analysis of professional practices and results obtained.
- Evaluation methods: tests, MCQs, role plays, case studies, skills interviews, etc. Several experts then participate in the evaluation of the results achieved and the skills applied.

These methods can be usefully combined according to the context, especially since their implementation has been greatly simplified by the digitalization of evaluation methods. In this way, at Nestlé, employees receive "regular feedback on their performance and career aspirations" through various tools and processes such as Performance Evaluation (PE), Progress and Development Guide (PDG) and 360 degree evaluationsⁱ.

A reference must also be set for the different levels of acquisition of a given competence.

3. Analyze the results, identify and prioritize the needs for skills development

After this mapping, the company will have to identify, analyze and prioritize the needs for skills upgrading: gaps between existing skills and the skills required for the company's development. This phase generally requires the use of data processing software covering a large population and extrapolating their evolution over time.

It is then possible to prioritize the needs. Indeed, based on the needs identified for each employee, it is essential to consolidate training priorities in terms of audiences and practical objectives.

In addition, it is important to distinguish three main categories of training needs.

- **Collective needs:** In relation to the organization's operational objectives. It refers to a collective rise in the skills of a team or a profession. A training need is collective when it has been identified by a working group as a means of achieving an operational objective. The fact of grouping identical individual requirements can produce a collective need.
- **Individual needs:** In relation to positions held or to be held in the same business unit. It is a training need that the employee may feel in order to better adapt to the position held, to prepare for changes within his or her position, or to change the position planned with his or her hierarchy within the same sector.
- **Personal needs:** Needs arising from a logic of career evolution and/or reorientation.

The synthesis of these needs will then constitute the essential trigger for the formalization of training orientations and the implementation of an operational HR strategy.

4. Implement an operational HR strategy

The organization's strategic orientations can be a major challenge for the business lines: technological disruptions, commercial ambitions, acceleration of product development rates, digital shifts, etc. In this context, the HR strategy aims to support the implementation of the strategic plan, by aligning strategic ambitions and the required business know-how. This support is reflected in the implementation of skills management actions that enable:

- the retention of stable skills (skills for which the company must ensure the sustainability of its know-how),
- the transition from sensitive skills (skills specific to declining professions or activities)
- et surtout, le développement des compétences critiques, porteuses de valeur pour l'entreprise et le client.

There are five types of HR strategies that allow an organization to meet its needs for the future:

1. **The recruitment strategy:** Some skills may require recruitment because internal profiles cannot simply be acquired. The recruitment of an expert can help to develop these skills among internal employees.
2. **The outsourcing strategy (subcontracting):** This strategy must be limited to non-critical skills because it presents the risk of losing competencies. It generally concerns skills far from the company's core business, which it is not intended to develop. The outsourcing or acquisition of start-ups are concrete examples of this strategy.

3. **The collaborative strategy:** It allows, for example, to deal with a labour shortage.
4. **The restructuring strategies:** These are strategies for reducing staff, grouping tasks, reorganizing work units.
5. **The training and professional development strategies:** When a skill can be acquired internally and there are enough resources available, training strategies can be used to adapt employees' skills. It is therefore a major lever identified by the HR strategy to strengthen the capability, capacity and performance of business actors. According to the study "The Revolution of Professions" (EY, LinkedIn)₁ training is cited by all managers questioned as the priority lever for adapting skills worldwide and is perceived as the priority lever by 54% of them.

How do you proceed to have available the skills you look for in your company/organization ?



Source : CSA.

Evolutions and trends in professional training

Professional training is affected by fundamental trends, reflecting new strategic orientations of companies.

The implementation of digital skills development programs

Communication, production, human resources... digital transformation nowadays affects all the company's businesses. Companies are organizing, adapting and developing schools internally. Beyond the mastery of digital tools and social networks, these schools and programs have the mission of supporting the digital transformation of the company by widely disseminating a digital culture among their employees.

Orange launched the movement in 2013 by creating the Digital Academy, a program that aims to provide a common platform of knowledge in the digital field to all the Group's 166,000 employees, regardless of their profession. The Digital Academy covers three dimensions:

- « employees' awareness of the challenges of the internal digitalization for Orange,
- training in the use of the Group's innovations (such as 4G or the Block) and internal tools

- *the appropriation and the putting into perspective of social networks and their role. »*

Other major companies have followed suit: Seb launched its Digital Academy in 2015, Pernod Ricard its "Digifit" program and in 2017, SNCF created a "digital school" for all their employees to support its transformation plan.ⁱⁱ.

The individualization of training paths

New types of training meet the need for promptness in the continuous training of employees. Indeed, in the face of more and more fast changes in environments, permanent access to knowledge also requires making resources and knowledge (information, regulations, tutorials for use, etc.) freely accessible remotely from professional or personal digital devices. The use of e-learning or open access MOOCs via training platforms allows more flexibility and personalization in the employee's training path.

In response to this situation, Groupe BPCE set up a free access training platform called "B'digit"ⁱⁱⁱ, which enhances the Group's educational offer by offering a wide range of video content. The main aim of this platform is to support employees by aligning their skills with the Group's transformation objectives.

The increasing importance of behavioural training, linked to differentiation strategies through customer experience.

The rise in the level of customer requirements is a fundamental trend common to many sectors. In dealerships, shops or agencies, customers are now better informed, have a high level of knowledge - or even expertise -. To differentiate itself, the company will have to provide a seamless and personalized customer service.

This shift has been made by companies in the automotive industry, whose customer satisfaction ratings are now an essential indicator to be improved in order to gain market share. Changing the mindset of their salespeople is a key success factor for them.

For example, Renault has set up a training program focusing on behavioural skills, R-Behavior. Designed by Renault Academy, the network's internal training school, this program aims to develop skills related to customer service: active listening, personalization of relationships, posture, etc. Designed for both sales advisors and after-sales advisors, but also for managers, the training courses are available in face-to-face and e-learning formats.^{iv}. Here again, the implementation of these training courses aims to align employees' skills with the company's strategic objective: network excellence in the relationship with the brand's customer^v.

In order to effectively implement its strategy, the company must ensure that it has the necessary skills. This alignment between strategy and skills requires anticipating the acquisition of tomorrow's skills, which makes it essential to proactively manage the HR strategy.

Sources

To know more about it – Contact Pagamon :

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ⁱⁱ E.SNCF lance l'école numérique :

<https://www.digital.sncf.com/actualites/esncf-lance-lecole-numerique>

ⁱⁱⁱ Accord relatif à la Gestion Prévisionnelle des Emplois et des Compétences du Groupe BPCE :

<https://www.unsabp.fr/wp-content/uploads/2018/03/accord-GPEC-déc.2017-1.pdf>

^{iv} Chez Renault, la formation se focalise sur le client :

<https://business.lesechos.fr/directions-marketing/02155878508-chez-renault-la-formation-se-focalise-sur-le-client-111498.php>

^v Renault 2016 : Drive the change :

<https://media.group.renault.com/global/fr-fr/media/pressreleases/27137/renault-2016-drive-the-change1>