

# Skills mapping: what is it and why do you need it?

*What is skills mapping and how can it significantly increase the profitability of the working environment? Let's find out in this article*

How much do you know about the **skills** and **competences** of your employees? If you think that it is enough to have an idea of the most organized employees, those who know how to work well in a team, or who complete a task in a short time, you are wrong. We're talking about **quantifiable** information that you can use to make data-driven decisions and **effectively drive employee performance and growth within your organization**. If you don't have ready access to that data, the skills mapping process is essential to the success of your company. But what exactly is skills mapping? In this article we will answer this question and delve into the main advantages you need to know.

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## What is skills mapping?

Let's start the article by defining this term that has gained great popularity in the business world. Skill mapping refers to the **process of identifying and evaluating the skills possessed by various employees in the organization**. Once this information is collected, it is visualized with a skills matrix or, in other words, with a graph. Presenting data in this way helps companies compare available skills with those needed. As a result, it makes skill and knowledge gaps more visible, so managers can take steps to improve their company's employee training strategy. Skills mapping therefore plays a fundamental role in pre-hiring forecasts and in the onboarding process, ensuring that candidates are assessed and assigned to the different teams accordingly. Furthermore, necessary training programs can be planned and organized based on this data for continuous skill development.

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## The best ways to evaluate employee skills

Now that we know what skills mapping is and its importance, let's analyze the ways in which companies normally evaluate employee skills. Since quantifying a quality is practically impossible, there is no perfect method to evaluate employee skills, which is why it is essential to implement a continuous process. Companies typically use a combination of the two methods described below to assess employee key skills.

### 1. KPI analysis

**Key performance indicators** (KPIs) are a qualitative method for measuring the overall effectiveness and performance of your team members. They help you identify weak areas and create a road map for improvement. KPIs play a fundamental role in evaluating employee skills and there are various technologies on the market that offer these services, from the most basic and economical to the most advanced and expensive.

Normally a KPI analysis involves starting by setting realistic goals and motivating team members to achieve them. Through the study of pre-established indicators (such as how long, the quality of the work or the distance travelled) it is possible to obtain data on how employees do their job and what their strengths are. The most advanced technologies are able to analyze numerous indicators at the same time, providing a complete view of every parameter useful to the company. If you don't have advanced technology and have a small team, start by setting employees short-term goals that help you more easily evaluate member performance. In addition to being useful to the company, KPIs provide valuable qualitative information that helps employees identify their strengths and weaknesses, information they can use to improve and grow professionally.

### 2. Feedback and revisions

**Feedback** refers to the process of gathering opinions or ratings about team members, with the main objective of identifying weaknesses to improve their performance. A review is an analysis or evaluation that has as its primary objective to provide training managers with potential information to make safe choices.

When it comes to feedback, different perspectives present themselves. Let's see a brief description of the most commonly used feedback mechanisms:

- **360-degree feedback**

This mechanism focuses on gathering information and performance about a particular team member, usually anonymously. This can include every member of the company, from managers to employees, as well as indirect feedback relating to team members. This helps assess behavior and specific training needs.

- **Customer feedback**

Customer opinion plays a crucial role in the overall growth and progress of a team. A customer, being a person external to the company, can offer more objective feedback and this contributes to a better understanding of the pain points and how the team addressed them. This element therefore helps to create a picture with a better understanding of the skills displayed by team members.

As for review, an individual performance evaluation offers continuous learning, guidance and a defined roadmap that leads to improvement in outcomes. Performance reviews are often in-person and mostly take place between the manager and the team member in question. These reviews should not be limited to just once a year, in fact regular and frequent reviews **increase** the morale of team members by identifying strengths and weaknesses.

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## 8 benefits of skills mapping

### 1. Reduces hiring costs

A **single bad hire** can cost a company an average loss of between \$15,000 and \$240,000 and, alarmingly, **three out of four employers** are affected by bad hires. Skills mapping helps identify the skills of an individual, and allows you to get an idea of a person's skills before hiring them.

Furthermore, with effective skills mapping, you will be able to identify gaps in your team. This helps you effectively search for specific employees who can fill that particular gap. Transfers and internal mobility also benefit because it will be clearer to determine who has the best skills to fill or replace a role. This helps you complete the project smoothly and creates a versatile and adaptable environment that will help you reduce the need for external hiring.

### 2. Effective allocation of resources

In addition to saving on the hiring process, skills mapping can be useful for a **more efficient organization of resources**. Skills mapping will give you access to each employee's capabilities, so you can assign them the right task or project and reduce errors. Therefore, you will be able to create teams with complementary skills, thus increasing productivity and efficiency. Furthermore, thanks to the information from the mapping, it is possible to create targeted training for team employees to meet the needs of the project.

### 3. Talent development and retention:

Skills mapping supports talent growth and retention. Employees are more likely to stay with a company that invests in their professional growth, and with skills mapping, organizations can create **personalized career growth plans** that align with individual career aspirations. This not only increases **employee morale**, but also ensures that the company has a **pool of qualified professionals** for future leadership positions.

### 4. Optimizing Workforce Efficiency:

To achieve higher levels of retention and satisfaction, employees need a purpose to work towards. Whether it's professional growth or a promotion, they need to know that there is a plan for their future. Skills mapping allows companies to have a constantly **informed and prepared human resources department**. By understanding the skills that employees possess, companies can ensure that they are employed in the roles best suited to their abilities. **Aligning skills and roles** increases the efficiency of the workforce, resulting in increased productivity and reduced operating costs.

## 5. Strategic workforce planning:

Skills mapping provides a basis for strategic workforce planning. Companies can identify **skills gaps within their workforce** and make informed decisions about hiring, training and development. By anticipating future skill needs, companies can stay ahead of industry trends and maintain a competitive advantage.

Additionally, competency mapping provides data-driven insights that can **drive decision making at all levels of the organization**. Managers can make informed choices about team composition, project assignment, and resource allocation. This way, executives can use skills mapping to align the workforce with the company's strategic goals.

## 6. Adaptability to change:

In today's fast-paced business environment, companies must be agile and adaptable. Skills mapping allows organizations to quickly identify skills that may become obsolete and proactively **reskill** or **reassign** employees. This ability to adapt is critical to surviving and thriving in industries that experience frequent disruption.

## 7. Improved employee engagement:

Employees who feel their skills are valued and used are more engaged and satisfied with their role. Skills mapping fosters a culture of appreciation of individual talents and contributions, resulting in increased employee morale and reduced turnover rates.

## 8. Increased customer satisfaction:

A skilled workforce can have a direct impact on the quality of products and services offered to customers. Skill mapping ensures that employees possess the skills needed to meet customer expectations, resulting in increased customer satisfaction and loyalty.