

The Skills Segmentation Questionnaire (SSQ) Brochure

A high value strategic tool for analysing roles, including identifying Critical Roles, linking to Succession Planning and Strategic Workforce Planning



Critical Roles?

There is no universal agreement on what constitutes a critical role in an organisation. Most organisations are lacking in an underlying model and methodology for identifying such roles. The result is that 'gut feel', influence and/or politics fills the gap!

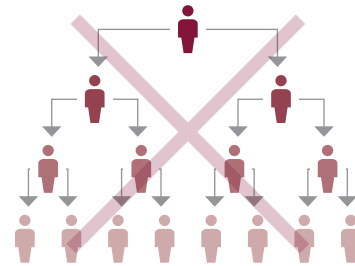
Yet the identification of such roles is fundamental to succession planning, risk management and strategic workforce planning. It is these roles that impact more significantly on business outcomes and the achievement of the business strategy. Consequently they should attract a greater focus and higher levels of investment to maximize the ROI of HR initiatives.

Furthermore, role criticality is closely linked to an explicit perspective on the value that can be created or enabled by role. **Understanding value and how it is created, is essential to adopting a value-centric talent management approach. Reallocating talent to the highest value initiatives is as important as reallocating capital.**

The Hierarchy Trap

Hierarchy heavily influences which roles are viewed as most important in an organisation. Making decisions on top talent based on hierarchy results in a disconnect between value and talent. Not all roles on the same hierarchical level are of equal importance, create equal value, or contribute equally to the business strategy and outcomes.

An excessive focus on hierarchy results in an underinvestment in some roles and an overinvestment in other roles. In any event, hierarchical structures are being usurped with the shift towards matrix accountability and cross collaboration. There is a need to understand the deeper characteristics of roles.



Role Value and Agility

The potential rewards of value-based role clarity may even be greater in agile organisations because flatter organisations build themselves around the principle that empowered talent in the right roles is the key to unlocking value.

Agility plays a central role in the organisation of the future. It is dawning as the new organisational paradigm as the race to replace structural hierarchies with networks of teams empowered to take action accelerates. With such flatter structures it becomes less clear as to the value that various roles contribute to the strategic imperatives and business outcomes of the organisation.

Introducing the AWS Skills-Based Workforce Segmentation Model

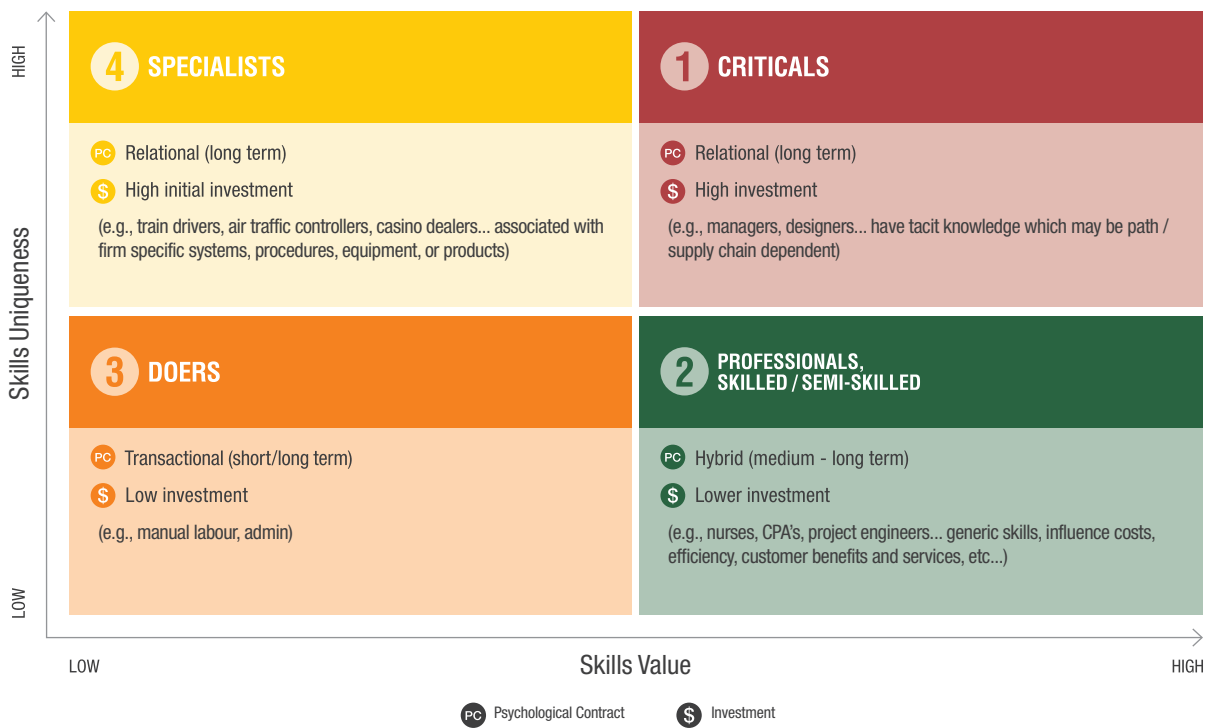
The essence of strategic workforce planning is making choices about the relative importance of roles!

Segmentation is the key to treating workforce assets as a portfolio that can be managed effectively!

Advanced Workforce Strategies (AWS) has overcome the 'blind spots' and limitations of hierarchy, job evaluation, critical role identification and workforce segmentation, with the development of the AWS Skills-Based Workforce Segmentation Model. Adapted from the work of Lepak and Snell (1999, 2002), this Model takes into account two dimensions of skills in analysing roles – both their value and uniqueness to the organisation.

The Skills Segmentation Questionnaire (SSQ) is a 52 item questionnaire based on this Model.

The AWS Skills-Based Workforce Segmentation Model



About Valuable Skills

Valuable skills can be generated in two ways:

1. Value Creating
2. Value Enabling

The AWS Skills Value Framework is depicted in the diagram below. Based on the SSQ, roles are able to be assessed in terms of their:

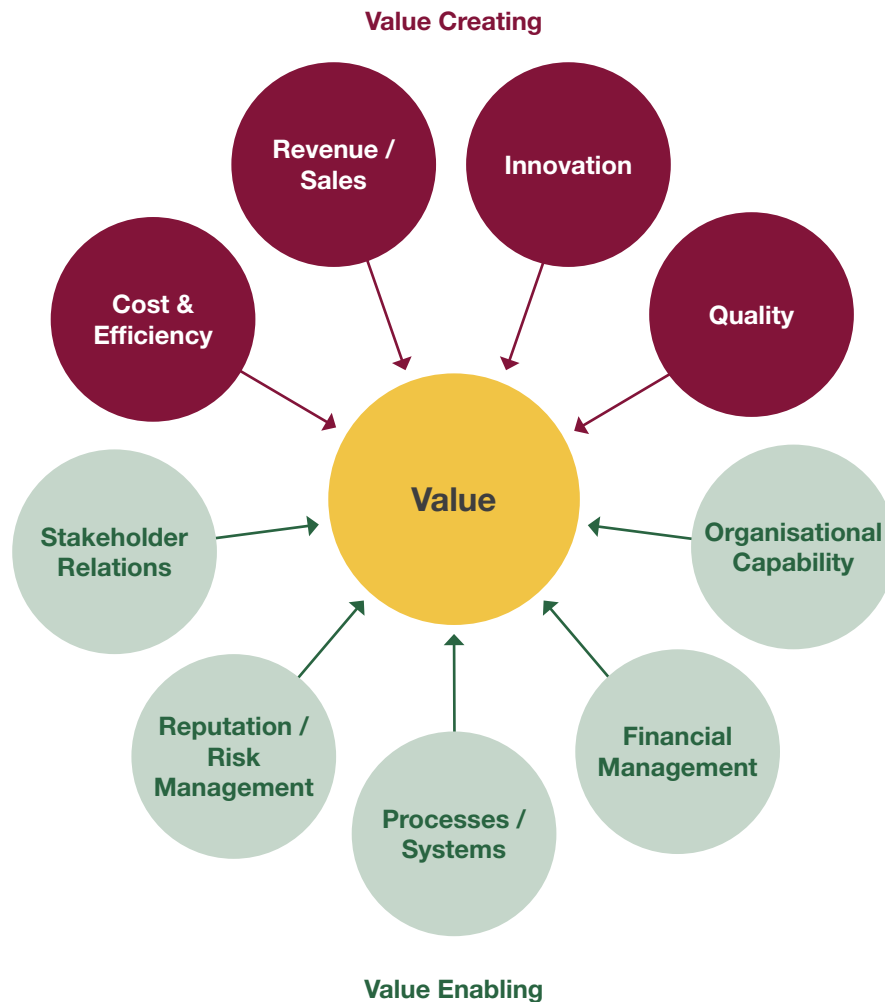
- Level of decision making in these various values (prime decision making, shared decision making or support function); and
- Impact (either localized or widespread) throughout the organisation.

Various roles may incorporate one or more of these values.

About Unique Skills

Unique skills are organisational specific, unlikely to be found in the open market, hard to replace, and hard for competitors to imitate or duplicate.

These skills need to be nurtured over time, given that they are not developed and acquired overnight. Hence organisations are more likely to invest in the education, training, and development of these skills.



Overcoming the 12 Limitations of Job Evaluation Methodologies

The conventional approach to job evaluation is static, inflexible and primarily focused on internal equity... There is a need to move away from conventional approaches to determining job importance and job-worth to a model that focuses on future value creation, strategic job worth and competitive advantage. (Becker, Huselid & Beatty, 2009)

Typical job evaluation methodologies are not strategic. They may have their place in assisting in salary determinations, but they fail to address these fundamental workforce strategic questions:

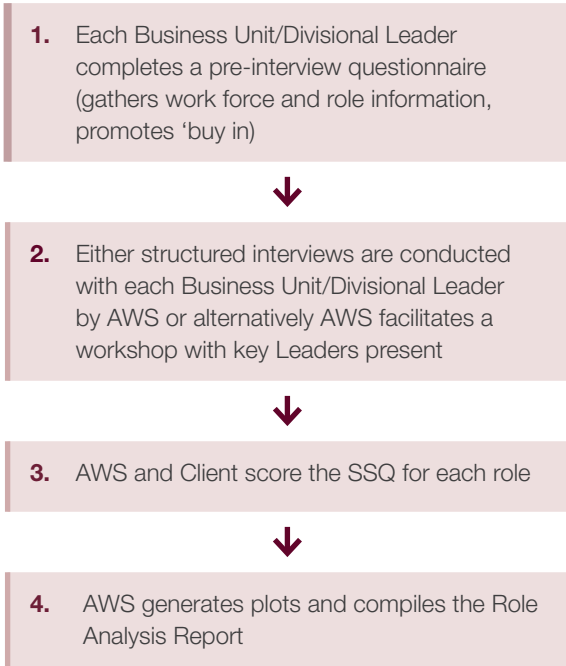
1. How to identify critical roles, as well as 'make' versus 'buy' roles, and otherwise segment the workforce?
2. How to determine and apply differentiated HR policies and practices for maximising the ROI on your workforce?
3. How to account for shortages in the supply of suitable applicants for some roles?
4. How to factor in the implication of making a mistake in the role (i.e., value destroying)?
5. What is the time to acquire proficiency in the role including the associated training investment (i.e., the unique skills and knowledge associated with the role and the organisation)?
6. How to calculate the cost of turnover (i.e., the how the turnover multiple varies) according to role characteristics?
7. How the Employment Value Proposition (EVP) may vary for roles - one size doesn't fit all!
8. How to identify single role point sensitivity?
9. How roles generate value, either (1) value creating and /or (2) value enabling?
10. How the importance of roles is linked to the business strategy and outcomes?
11. How to account for the legal compliance requirements of the role, including the necessity of the role to be occupied in order to operate?
12. How to account for the disproportionate impact of the role on business outcomes?

The SSQ scoring and associated role plotting include consideration and accommodation of all of the above factors.



Key Stages in Administering the SSQ

Please note that the SSQ is only available with consultancy input from AWS.



With digital transformation, value enabling roles are now assuming greater prominence. For example, the previous backroom roles of HR and IT are now emerging as front and centre in the digital workplace because of the importance of these two value generators in this transformation:

- Organisational capability (because of the changing shape of the workforce and the role of HR); and
- Processes/systems (with digitization and the role of IT).

Comparison of Roles

The plotting tool upon which the SSQ is based, allows roles with different job levels, types of responsibilities and impacts, to be compared on a common metric. This role analysis and workforce segmentation tool provides:

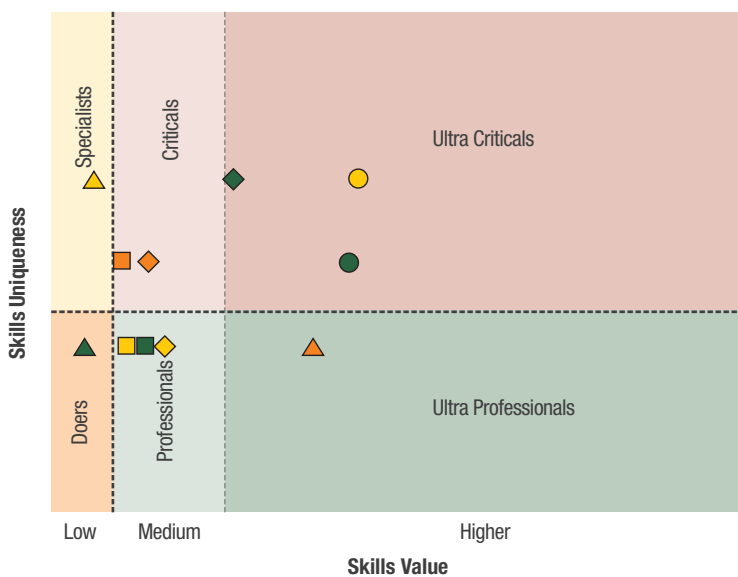
- A basis for targeted investment in various roles (i.e., according to their value generating importance and uniqueness); and
- Informs on the appropriateness of HR policies and practices per workforce segment, including the cost of turnover, development of EVPs, levels of investment in training, etc.

Linking Roles to the Business Strategy

There is also opportunity to weight the importance of the nine skills values on these plots, according to the business strategy. For example, if the business strategy is to improve the quality of its products, then any role that incorporates quality will attract a higher overall value score. Thus the SSQ facilitates the further linking of roles more closely to the business strategy.

You will note that Critical roles have been further segmented into Ultra Critical and Critical roles and similarly for Professionals. This more 'fine grained' delineation provides even greater clarity relating to role importance and facilitates more insightful HR data analysis and reporting.

Skills Workforce Segmentation Plots



Note. These plots are context specific with their final positioning varying according to the responsibilities of the roles and various organisational circumstances.

- ▲ Driver
- ▲ Technician
- ▲ Journalist
- ◆ HR Manager
- ◆ Teacher
- ◆ Biz Dev Manager
- Supervisor (Construction)
- Nurse
- Sales Person
- Factory Manager
- CFO

Linking the SSQ to EVPs and HR Policies

The SSQ and plotting tool can be used in conjunction with the Employment Value Proposition (EVP) Profiler tool. Different EVPs (i.e., mix of tangibles and intangibles based on the concept of the psychological contract) will apply to each of the four skills' quadrants.

Thus this combination enables a strategic approach to determining the importance of roles and their respective HR policies and practices, investment in L & D, recruitment approaches, cost of turnover, etc. Refer to the EVP Profiler brochure on the AWS website.

AWS has also developed a number of other tools based on the AWS Skills-Based Workforce Segmentation Model including:

- A cost of turnover calculation tool
- A recruitment/redundancy forecasting tool
- A legacy workforce tracking tool

Refer to the AWS website for further details.

SSQ Role Analysis Report



The output of the SSQ is the compilation of a Role Analysis Report which includes the role plots by workforce segment, with associated recommendations.

The Adverse Consequences of Misclassifying Roles

The adverse consequences of misclassifying roles include:

- Collapsing (scrambled) HR data, mixing 'orange with apples' leading to problematic interpretation and counter productive or wasteful interventions;
- Performance and/or retention issues (we have numerous case studies to emphasize this point);
- Underinvestment in some roles and over investment in others.

Our Clients

Our clients include:

- IAG Insurance (large Australian based insurance company)
- RMIT University (large Melbourne based University)
- Methanex (largest global manufacturer of methanol)
- Cabrini Health (large Melbourne based hospital and age care provider)
- Multiple Sclerosis Queensland (NFP)
- Telekom Malaysia (large telecommunications firm)
- Celcom (large telecommunications firm, Malaysia)
- Cabcharge (largest Australian taxi company)
- Commonwealth Superannuation Corporation