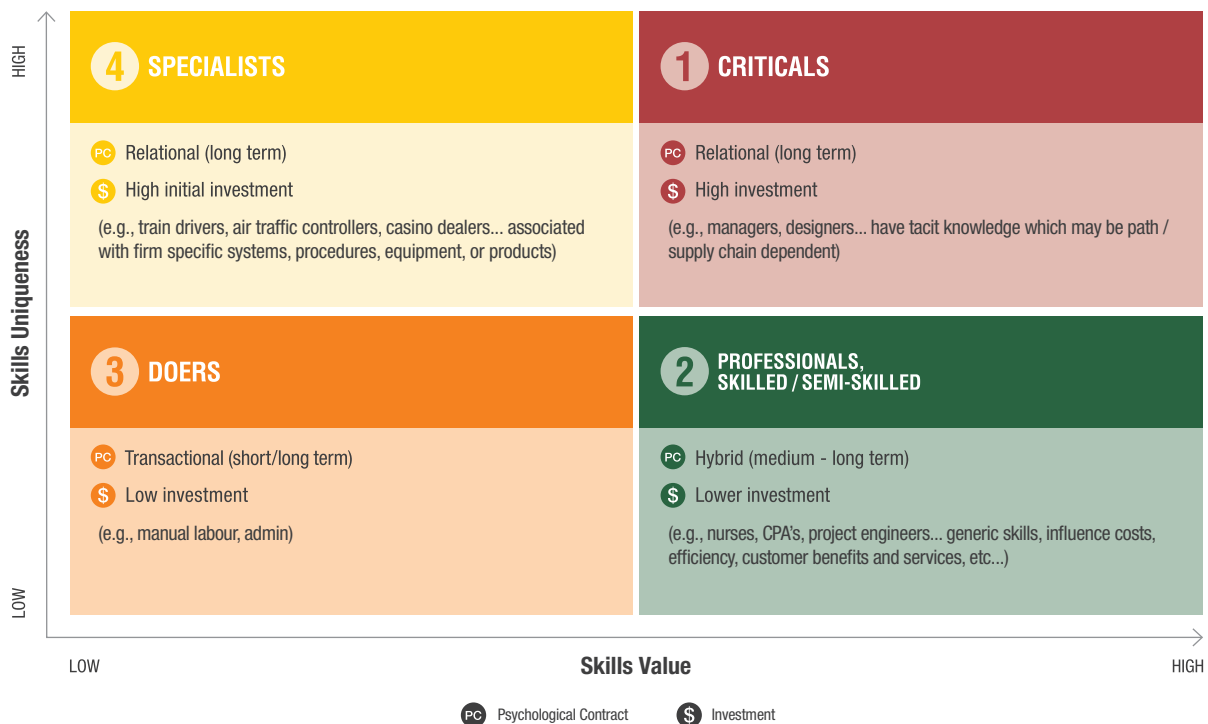


The Skills Segmentation Questionnaire (SSQ) and Plotting Tool



What is the SSQ?

This SSQ is a 52 item questionnaire based on a workforce segmentation model which has been adapted from the work of Lepak and Snell (1999, 2002). It takes into account two dimensions of skills in analysing various roles – both their **value** and **uniqueness** to the organisation.



Valuable skills either create lower costs, increased revenue, or innovation. They comprise up to nine value drivers, and based on the SSQ, jobs/roles can be analysed according to the requirement and impact of these value drivers.

These drivers are: (1) revenue/sales, (2) stakeholder relations, (3) cost and efficiency, (4) quality, (5) innovation, (6) organisational capability, (7) reputation/risk management, (8) financial, and (9) processes/systems.

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.

Various jobs within an organisation can be analysed and plotted according to four possible employment roles or quadrants: (1) Criticals; (2) Professionals, Skilled or Semi-Skilled; (3) Doers; and (4) Specialists

Why is workforce segmentation important?

Just as a marketer segments their products, services and clients, the same segmentation approach should be applied to managing your workforce. Employees now come in all shapes and sizes – one size doesn't fit all! Accordingly, this calls for a more sophisticated and differentiated workforce configuration, segmentation and management approach. Segmentation is the key to treating an organisation's workforce assets as a portfolio that can be analysed and managed.

Workforce Segmentation and Job Evaluation

“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 which focuses on future value creation, strategic job worth and competitive advantage.” (Becker, Huselid & Beatty, 2009)

Most organisations adopt a hierarchical model of segmenting their workforce (i.e., based on salary or job level/evaluation considerations). However this model is deficient in that salary or job levels:

- ▶ **Don't** automatically determine attraction, engagement, investment and retention strategies;
- ▶ **Don't** indicate the true relativities between roles in so far as their impact on business outcomes (i.e., value creation, competitive advantage); and
- ▶ **Don't** answer some of the critical workforce and human capital questions (see next page).

The result is an underinvestment in some roles and an overinvestment in other roles. In any event hierarchical structures are on the slide with the emergence of network organisations. Furthermore, segmentation by job families or clusters suffer from the same above deficiencies.

What critical workforce questions do the SSQ outputs or plots answer?

Whilst many organisations may have bundles of HR policies, and undertake workforce planning, succession planning and talent management, this is very different from having developed a whole of workforce strategy.

The outputs from the SSQ (i.e., classification of roles) provide answers to the following key workforce or human capital strategy questions:

- ▶ What really are the critical roles in your organisation?
- ▶ What roles should you “make” by developing people from within. (Roles in quadrant one and four.)
- ▶ What roles should you “buy” people ready-made from the market? (Roles in quadrants two or three.)
- ▶ What roles should you consider outsourcing. (Potentially roles in quadrants two or three.)

- ▶ How should psychological contracts and attraction (including Employment Value Propositions/“Deals”), engagement and retention strategies, and levels of investment in L&D differ for the various types of roles/quadrants?
- ▶ What is the cost of turnover of the various types of roles?

The focus of the SSQ role analysis is external, as opposed to the internal relativity focus of typical job evaluation models. It provides a basis for:

- ▶ Understanding the deeper characteristics of roles (including classification of role types);
- ▶ How and where roles create value; and
- ▶ Linking the importance of, and impact on, the delivery of products and services.

Thus the SSQ facilitates the development of new workforce insights and understandings. It is fundamental to strategic workforce planning and forms the basis for reporting human capital data for the organisation (i.e., reporting data by the four quadrant model).

An Example SSQ Plot Output

Do you know where various roles in your organisation may fit according to this model?

The following is an example plot of various roles. Please note that the final positioning of plots for these roles will vary according to the responsibilities of the roles and various organisational circumstances.

There is also opportunity to weight the scoring of these plots on the nine value drivers (which contribute to valuable skills), according to the business strategy.

Some of these value drivers will be more important than others to the achievement of the business strategy. Thus the SSQ facilitates the further linking of roles more closely to the business strategy.

Notes. The SSQ and plotting tool can be used in conjunction with the Employment Value Proposition (EVP) Profiler. Different EVPs (i.e., mix of tangibles and intangibles) 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 EVPs. Refer to the EVP Profiler brochure.

The SSQ is only available in the Advanced Version of the Workforce Strategic Plan and the Recruitment Strategic Plan.

