A guide to:
Identifying Skills Development & Training needs

(Courtesy of Skills Development Scotland)

Introduction

People are the most important asset of any business.

From the biggest global corporate business to the smallest local firm, employees and the contribution they make are central to the success of any business.

The aim of this guide is to help you recognise how best to meet your staff’s personal development needs while, at the same time, ensuring the maximum benefit for your business.

Communicating with your staff, identifying their short and long-term development needs and creating a training plan to deliver these, are key factors in meeting those objectives.

Throughout this guide, we will focus on skills development & training, whilst demonstrating the crucial role these play in delivering business success.

Skills development & training can take various forms such as coaching and mentoring, networking, online learning or achieving formal qualifications but the key to success is ensuring that it is a planned, managed and valued activity that impacts positively on the performance of your business.

This guide will help you review your current practices and approaches and support you as you develop these fully for the long-term development of your business.

There is also a glossary of key words which relate to learning and development situations, this is available on pages 12 – 14.
Getting value for money

As a small or medium sized business you will be fully aware of the importance of managing costs and ensuring operational efficiency.

Value for money and return on investment are critical to long-term business success, particularly at a time of challenging economic conditions.

When it comes to investment in your employees and your business there are some fundamental questions that need to be answered to ensure you get the maximum benefit from any activity.

These questions include:

- Why are you considering a learning and development programme?
- What difference will it make to your business?
- Who will benefit most from participation?
- When is it right for them to participate?

Ideally, you will already have a formal business plan in place which outlines your objectives for this year and over the next three to five years.

To help you realise these objectives it is good practice to assess the capability of your employees in order to identify areas where training may be necessary to create the capacity you need in your team.

Understanding the profile of your workforce, how your employees prefer to learn and how to allocate time and resources to get the best results for everyone is crucial and progressing through this guide will help you through that process.

Key areas to consider are:

- Understanding what training your employees need to help you compete
- Spotting skills gaps within your business
- Identifying opportunities for business development
- Prioritising and planning how to meet these needs.
Getting started

The first stage of the process is to establish what your employee’s development needs are and how these can benefit the wider objectives of your company.

Useful questions to ask would be:

- What knowledge, skills and attitudes do I need my employees to have if they are to effectively fulfil their current and future job roles?
- Where are the performance gaps between the current situation and our business needs?
- How can I best address these gaps to benefit the individual or team in question?

What do our employees and our business need?

Time and resources are in short supply for many small business owners, so a structured approach to identifying learning and development needs is vital.

Some of the areas to consider include:

- How do you induct new employees or prepare existing employees for new roles within the company?
- How do you introduce your employees to new products, new materials, new plant and new processes?
- How do you ensure your employees are aware of legal compliance issues?
- Do you conduct regular performance reviews for your people?
- How do you identify new business opportunities?
- How do you review relationships with key customers and suppliers?
- Do you regularly monitor your workforce profile to ensure it continues to meet your business needs?
Checklist
To help you prepare to review your current approach you may find this checklist useful:

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<tr>
<td>Do you have a profile that describes the</td>
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<td>skills, knowledge, qualifications,</td>
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<tr>
<td>experience and special abilities of all your employees?</td>
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<tr>
<td>Does your business have a regularly reviewed and updated job</td>
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<td>description and person specification for each job role?</td>
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<td>If ‘yes’, to the question above, do you use this information</td>
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<td>when recruiting and selecting people?</td>
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<td>Do you have a formal induction process to familiarise people</td>
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<td>with the company and its practices and procedures?</td>
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<tr>
<td>Do you have a skills development &amp; training process for new</td>
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<td>employees to enable them to fully satisfy their new job role?</td>
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<td>Do you have in place a process of regular performance and</td>
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<td>personal review for all your employees?</td>
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<tr>
<td>Do you have in place a process of regular business review to</td>
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<td>help you identify any area of skills development?</td>
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<td>Do you have in place an annual plan for skills development &amp;</td>
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<td>training to support all your people?</td>
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<td>If ‘yes’, to the question above, does this recognise both on</td>
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<td>and off-the-job development opportunities and attribute them</td>
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<td>with equal significance?</td>
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<td>Do you have a regular dialogue with your representative</td>
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<td>groups?</td>
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Making it happen

There are four stages to identifying skills development and training needs, and the process is built upon:

- Communicating your objectives
- Gathering information
- Analysing the current situation
- Prioritising, planning and preparing for action.

Stage 1: Communicating your objectives

The process will only succeed if your employees understand what you are trying to achieve - in terms of their own development and that of the business.

As you prepare to review, revise and improve the way you identify skills development needs, it is important that you discuss what you are doing and why with your employees.

Your employees may not always be comfortable talking about issues around performance so it is essential that you help them to understand how they will benefit and how their enhanced contribution will assist both their own development and that of the business.
Stage 2: Gathering information

Company information

Maintaining a strong focus, not just on your own business plan, but any external factors affecting your industry will be important.

By gathering information on areas such as how your sector is performing, the implications of any new legislation, the potential impact of global market conditions and the introduction of new products, materials or processes, you will ensure that you are well informed on any factors which could affect your business performance.

A key action will be to revisit your business plan, review your objectives and record them on a regular basis.

Team information

While much of your focus will be on individuals, it is also important to recognise the major role which teamwork plays in most businesses. Successful businesses have a clear picture of how its teams are performing and can identify any barriers or issues which may be affecting performance.

Recommended actions:

- Self assessment for all teams
- Benchmarking against other teams within the company
- Benchmarking against other companies where possible.

To Support the recommendation you may wish to consider the following statements:

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<th>Yes</th>
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<tr>
<td>Do you set performance targets and review teams against them?</td>
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<td>Do you encourage teams to self assess and identify their needs?</td>
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<td>Do you benchmark?</td>
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<td>Do you use critical incident analysis at team level?</td>
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<td>☐</td>
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<tr>
<td>Do you use near-miss analysis at team level?</td>
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<td>Do you involve team members in the recruitment and selection of new members?</td>
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<td>Do you develop teams to be fully functional?</td>
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Individual information

All your employees should have current job descriptions and specifications which should form the starting point for your personal review process.

They should also have realistic and achievable performance targets which will help them to recognise the contribution they make to the business.

They should have the opportunity, at least annually, to formally review their performance, discuss their current role and identify their needs.

An example of a Training Needs Analysis is available, which highlights the type of questions to ask your employees and can be adapted to assist with the review process.

It is important to recognise that employees generally value this formal opportunity to discuss their own needs and those of the business but also that the process, by its very nature, will raise expectations and reveal concerns.

To ensure a successful outcome it is vital that a tight schedule and appropriate timetable is agreed for these discussions and that people are informed of progress and told how the information gathered will be used.

Depending upon the size of your business these interviews may be conducted by you as owner/manager or by your team leaders/direct line managers.
Stage 3: Analysing the current situation

Completion of stages one and two of this process should have generated a significant amount of data. If the process is to be successful it is vital that this information is now used effectively.

While recognising the time pressures which many businesses face, it is essential that sufficient resources are devoted to analysing, prioritising, planning and communicating with all employees if real benefit to the business is to be achieved.

Skills development needs are likely to fall into the following key areas:

- Knowledge and understanding
- Skills and application
- Attitude and behaviour
- Innovation and continuous improvement.

To ensure skills development needs are accurately identified, it is important to compile a definitive list, as with the example below:

<table>
<thead>
<tr>
<th>Need identified</th>
<th>For who</th>
<th>By when</th>
<th>By who</th>
<th>Potential cost</th>
<th>Potential benefit</th>
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Failure to address these needs will impact negatively on the overall performance of the business but it is important to remember that requirements can often be met in-house via resident experts. Structured coaching and mentoring may best fit the needs of your staff and the business. However, learning opportunities need to be thought through and recognised as an important aspect of everyday work and valued by everyone involved.

As you continue to assess the information you have gathered, other factors to consider include:

- What training do my employees need immediately? For example; to use new equipment, address unacceptable performance, ensure new employees meet compliance standards

- What development will be needed over the next six months? For example; to meet new demands on the business, to cover maternity leave, to prepare for restructuring or employee retirement

- What development will be needed in the next year? For example; to prepare new teams, to maintain existing skills levels, to refresh knowledge/understanding
• What are your long-term needs? For example; what industry requirements are imminent, what will customer/supplier needs be, can development activity be brought in-house?

To ensure that all levels of need are being addressed effectively – company, departmental, team or individual – it may be useful to revisit your list and classify each of them as:

★★★★ Essential: to maintain current levels and expectations
★★ High desirable: to achieve the objectives of the business plan over the next three years
★ Aspirational: to help with the longer-term development of individuals, teams and the business
Stage 4: Prioritising, planning and preparing for action

To ensure the best outcome for all concerned, it’s essential that you complete the whole process for identifying skills development and training needs. Having raised expectations by involving all of your employees in performance-based information gathering they need to know what you have discovered and what happens next. Ensure agreement of all relevant management and employees who will be influential in making your plans succeed are supporting you.

Checklist

As you prepare to pull your business development plan together you should check the following points:

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<tr>
<td>Have you linked everything back to the business plan?</td>
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<td>Have you used all the information you have gathered?</td>
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<td>Have you interviewed and involved everyone?</td>
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<tr>
<td>Have you been objective in your analysis of the data collected?</td>
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<tr>
<td>Have you resisted personal prejudice and preference?</td>
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<tr>
<td>Have you looked at industry trends and regulation?</td>
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<tr>
<td>Have you created a comprehensive list of development needs?</td>
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<tr>
<td>Have you categorised each need?</td>
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<td>Have you identified priorities in terms of time scale and importance?</td>
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<tr>
<td>Have you recognised company-wide needs, team needs and individual needs?</td>
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<td>Have you recognised organisational issues beyond the scope of development intervention?</td>
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Summary
You should now be in a position to produce a prioritised development plan that will support your business objectives. The next stage is to consider the resource implications.
You will need to plan to deliver the training and development which will most effectively address the needs you have identified.
If you would like advice or guidance regarding this guide, please email skillsgateway@wales.gsi.gov.uk and we will be able to help you.
Glossary
Words can mean different things to different people. This glossary of key words relates to learning and development situations and will help explain what certain words mean.

**Benchmarking**: An approach which enables you to compare the business strategies and practices with those of competitors or other similar organisations.

**Business plan**: The plan that sets out the business objectives.

**Capability**: The knowledge, skills and behaviours needed amongst the business’s staff.

**Capacity**: The skills and abilities the business needs to enable it to respond to current and future business needs.

**Coaching**: A planned process that, through the use of effective questioning and feedback, aims to improve the performance, learning and development of an individual or work team.

**Competence**: The knowledge, skills and understanding to enable individuals to consistently perform their whole work role.

**Contribution**: The ideas, time and effort staff give to the business to help it achieve its objectives.

**CPD**: Continuing Professional Development.

**Critical incident analysis**: The process of recognising and learning from real life, workplace-based, critical incidents to inform the business practices.

**Evaluation**: The review of the results of learning and development activities to discover whether the objectives have been delivered and the impact on performance has been achieved.

**IIIP**: Investors in People, a national standard of business practice.

**Impact**: The results achieved from an intervention and the effect this has had on performance.

**Innovative**: New or improved ways of thinking and doing things.

**Intervention**: A planned activity with anticipated specific outcomes which benefit the workplace.

**Job description**: A document which outlines the key roles and responsibilities of post holders.

**Learning and development**: Any activity that develops the knowledge, skills and behaviours that the business needs to meet its objectives.

**Learning styles**: The way people prefer to learn. 15
**Mentoring**: Advice and guidance offered by a more experienced person to help develop an individual’s potential. Mentoring tends to focus on long term career goals and is *not* usually provided by the direct line manager.

**Near-miss analysis**: The process of recognising and learning from real life, workplace based, near-misses to inform the company’s practices.

**National Occupational Standards (NOS)**: NOS are statements of effective performance which have been agreed by a representative sample of employers and other key stakeholders. They describe what an individual needs to do, know and understand in order to carry out a particular job role or function.

**Person specification**: The description of the personal qualities, attitudes, behaviours, qualifications and experience required of post holders and team members.

**Personal development**: Any planned activity that develops an individual’s knowledge, skills and behaviour. This need not be specific to the current job role or the current employer.

**Profile**: A structured representation of the business needs for skills, knowledge and behaviour across the various job roles and categories.

**QA**: Quality Assurance system, either internally or externally validated.

**Return on Investment (ROI)**: Demonstrable performance improvement as a result of investment in people development.

**Role model**: A person who acts in a way that is valued by the business and creates a positive example for others.

**Sector Skills Councils (SSCs)**: Employer-led, independent organisations with responsibility to improve learning supply including apprenticeships, higher education and National Occupational Standards.

**Self-review**: An evaluation practice that uses an agreed and structured approach.

**SMART objectives**: The results the company aims for, if it is to achieve its vision. They need to be specific, measurable, achievable, realistic, time bound and testing.

**Succession planning**: An aspect of workforce planning and development. It acknowledges the age profile of the staff and usual turnover, and develops the potential in people to allow them to be eligible to progress to next level posts.

**The excellence model**: A model developed to help businesses in Europe become more competitive and sustainable. It focuses on enablers (how you do things) and results.

**Values**: The principles that underpin how the company works, such as – ‘Safety comes first’ or ‘Our people matter’. 16
Virtual or complete cycle: The process of involving people and teams in the definition of needs and the review of the effectiveness of the ways in which those needs have been met.

Vision: Where the business wants to be in the future, and how it wants to be perceived by its people and its customers.