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# What is a Skills Inventory and Why Do We Need One?

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While no one knows exactly what skills a workforce will need ten years, five years, or even two years from now, it's clear that organizations and employees must be ready to adapt. Certainly, the COVID-19 pandemic has brought this point into sharp focus. Business leaders are rapidly fashioning new ways of serving customers. Employees reckon with the realities of social distancing at essential work locations. Or teleworking from makeshift home offices. Most of us are using skills today that were underdeveloped or underutilized just one month ago.



Whether managing through a business disruption or operating business as usual, a skills inventory can help you align business goals and workforce performance. What is a skills inventory? What are the benefits? How can you create a skills inventory for your organization?

## What is a Skills Inventory?

A skills inventory is the collection of skills, education, and experiences of employees. Skills inventories capture the professional expertise, attributes, and abilities of your workforce. A centralized skills inventory provides a point-in-time view of the skills (and skills gaps) of a workforce. But the inventory should be a dynamic system, regularly updated to reflect changes in team members, skills, and professional credentials.

When companies have a robust, up-to-date understanding of the skills and talents of their workforce, leaders are armed with strategic data that can inform near-term and longer-term planning and decisions. As new employees are hired and current employees develop skills that support the company's goals, the organization – and its workforce – are better positioned to thrive.

## What are the Benefits of a Skills Inventory?

Skills inventories provide a wide range of benefits for business and HR leaders who drive strategic initiatives. Here are just a few applications that can advance your corporate strategy:

### Employee Learning & Development:

Because a skills inventory shows you what skills your workforce has right now, it also shows which employees are missing important skills for their jobs and which ones need to develop greater proficiency. Your skills inventory can help you shape personal development plans designed to develop exactly those skills that each employee needs most.

### Recruitment:

When you identify a gap in the skills and competencies your organization needs

soon, it may be faster to hire someone than to develop current employees. Analysis of your skills inventory will highlight the skills you most need from qualified candidates.

### Leadership Development:

The skills an effective leader needs today are quite different from what was required five or ten years ago. The same will be true five and ten years from now. All leaders need to continue to develop new skills as the marketplace and workplace cultures evolve. A skills inventory is an excellent tool to identify evolving leadership skills – and how well leaders are developing each.

### Succession Planning:

Most established succession planning programs use a multi-level approach – putting a plan in place for critical roles, including two or even three levels below the senior leader. Skills inventories help to identify and monitor the development of employees at all levels who may be called to step in when your essential leaders are promoted or leave the company.



### Workforce Optimization:

Getting the right people in the right jobs at the right time is a fine balance – and essential to providing your services and products to clients. Skills inventories help you find the right resource for the job, whether it's a consulting engagement, a technical project or product development. An impartial review of workforce skills can help to avoid overdependence on some employees and underutilization of others.

### Employee Retention:

Training and development, work-life balance, and flexible work arrangements can all [improve employee retention](#). Skills inventories can capture information such as employee interests and work preferences. While not every job role will be a perfect match over the course of an employee's career, having visibility into employee preferences can help bolster the [employee experience](#) when the right projects emerge.

**Business Continuity:** Operating a business amid a crisis requires understanding and utilizing the skills and talents you have available now. A skills inventory provides exactly that. And, if some of your employees are unavailable during th

### How to Create a Skills Inventory

Now that you know what a skills inventory is and why they are important, you'll next need to know how to create a skills inventory. Start by identifying the skills and competencies that are important to your organization. Also identify the levels of skills (beginner, intermediate, advanced proficiency) you need. Ideally, you have a competency management system, such as Avilar's [WebMentor Skills™](#), to capture your

list of skills and competencies. By starting with your list, you avoid discrepancies that could arise by employees using their own labels to describe roles. For example, “computer programming,” “engineering,” or “coding.”

Then have employees complete a self-assessment. An online skill assessment based on their role will work best, to give employees the flexibility of accessing the assessment 24x7. Because we all tend to overstate our capabilities, you will likely want to supplement the self-assessments with manager assessments. Also consider expert competency assessments.

Once all skill assessments are complete, you’ll have centralized results for easy access and analysis. A good competency management system will support a range of views of the data. You may want to analyze skills for your entire workforce, specific departments, a specific job role, a geographic region, a product line, or other characteristics that are important to your strategy.

Expect that you’ll discover gaps, as well as skills that were previously undetected. And

remember to keep your skills inventory current, so you have a real-time view of your workforce skills whenever you need it.

[Contact us](#) to find out how a competency-based approach can help. Then schedule a demo to see how Avilar’s [WebMentor Skills™](#) competency management system can support your efforts.

## About Avilar

Avilar – The Competency Company™ is a leader in workforce development and planning with web-based competency management and learning solutions for corporations, government, and non-profit organizations. In 1997, Avilar pioneered its award-winning WebMentor™ product line and has built itself on the basis of superior customer service and highly adaptable product design.

Avilar consultants are recognized as industry thought leaders and have decades of experience in implementation and analysis. Let Avilar help you transform your organization from ordinary to extraordinary.

