

How do you create your skills framework?

Lucca-style methods and advice

Is there a magic formula for creating a high-quality skills framework that is used and appreciated by all employees and their managers?

Our response is: No, there isn't one, right way of doing it. It's up to you to find the method that works for you, based on the specific features of your company, your goals and the needs of your teams.

However, if you're not sure where to start, here's a guide to some good practices and pitfalls to keep in mind if you decide to go for it.

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1. Skills framework: what is it?

Job framework, skills framework, skills mapping...It's difficult to know what all these are for. Before getting to the nitty gritty of the subject, let's clarify some of the vocabulary we'll be using¹.

A skills framework is NOT:

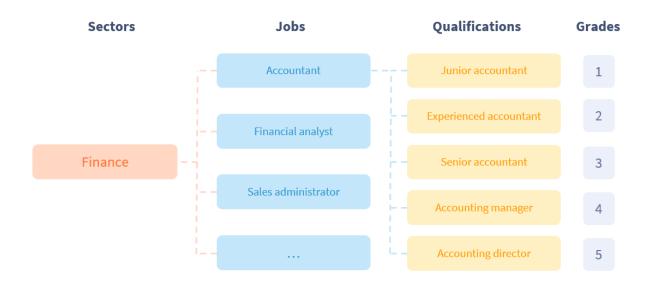
• **A job framework**: the job framework is a list of all the company's jobs, which are often grouped according to sector.

For example, the "Finance" sector usually includes the jobs "Accountant", "Financial analyst" and "Sales administrator".

The structure and content of the job framework varies from company to company. At Lucca, each job is broken down into different levels of seniority, or grades. The combination of a job and a grade is known as a "qualification". Therefore, the job "Accountant" is broken down into "Junior accountant", "Experienced accountant", "Senior accountant", etc.

The job framework serves as the **foundation for many HR processes**, such as career management. It is also the **first step in building a skills framework**.

Example for the job Accountant:



¹ A complete glossary is available on the last page of this guide.

- **A library of job descriptions**: a job description provides a complete list of the features of a position (or qualification) and its environment:
 - the job title;
 - o its place in the organization chart;
 - the environment and working conditions;
 - o access to the position and conditions of employment (salary, type of contract);
 - connection to other positions;
 - o a detailed description of duties and tasks; and
 - expected skills.

In particular, it is used in the recruitment process to guide recruiters in their search and enable candidates to clearly see what the job involves, which may not be clear from the job advert alone.

• **Skills mapping:** skills mapping is the process of taking an inventory of the skills and talents that each employee has at a given moment, whether or not they are linked to the employee's qualifications. Skills mapping can be used to guide career paths, identify in-house experts with a view to passing on skills, etc.

A skills framework is:

The skills framework is the list of skills that employees are expected to have in order to meet the company's current and future needs.

These expected skills may:

- apply to all jobs (for example, a list of company values broken down into overall soft skills);
- **apply to certain jobs only** (for example, good customer service skills for jobs that have direct contact with internal or external clients);
- **apply to one job in particular** (for example, proficiency in C# for developers).

Focusing on the term "skill"

According to Larousse, a skill is an "ability recognized in a given subject by virtue of the knowledge possessed and which gives the right to judge it."

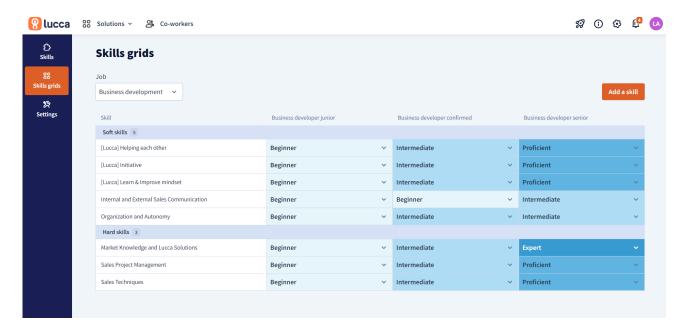
According to the Employment office, there are **three categories of skills: knowledge**, **hard skills** (practical skills) and **soft skills** (personality traits).

Within the framework, each skill must have a **definition**.

Ideally, **the different skill levels are also included** for greater accuracy. The number of levels varies depending on what rating scale the company uses (usually between three and five levels).

The list of skills required for a certain job and the levels expected for each qualification is a skills grid, or a skills matrix.

Example of a skills framework for the job Product Manager:



2. What is a skills framework used for?

A skills framework is a **tool that provides a basis for and helps to structure many HR processes.** It enables HR teams to:

Evaluate an employee's performance and reward them

The skills framework can be used as to evaluate employee performance (if performance is based on skills).

Skills frameworks enable managers to assess an employee's level in relation to the company's expectations, and to provide evidence for HR decisions that result from this assessment. This is the case for promotions and salary increases.

Build employee loyalty

A skills framework also helps to build employee loyalty in two ways:

• By developing their potential

The skills framework makes it easier for managers to identify employees' strengths and areas for improvement in their jobs. This then makes it easier to implement appropriate action plans to

develop their skills and potential within the company: training, coaching, mentoring, participating in new projects, etc.

By offering them career prospects

The skills framework enables employees to easily identify jobs within the company that require skills they have mastered or that correspond to their abilities. This gives them a good overview of the opportunities for development within the company, and enables HR teams to guide employees towards options that are of interest to them.

Recruit the right people

Finally, the skills framework gives recruiters a clear idea of the needs and profiles required. HR representatives use the list of expected skills for each qualification when assessing candidates, and it is a good way of refining applicants' profiles.

3. Choose the right format...

There are as many different formats available for skills frameworks or grids as there are companies.

The ideal format depends on your objectives, the needs of your teams and the time you wish to devote to the subject.

For example, at Elmy they don't have a skills framework as such, but they do have 13 softs skills (Key Behavioral Indicators) that apply to all employees in the company, such as good listening skills and empathy.

On the other hand, at GlobalExam, the knowledge, hard skills and soft skills expected for each job and in general are detailed in an extensive framework. Each skill is broken down according to seniority level (junior, intermediate, etc.). The framework is not set in stone and is regularly updated by the HR team.

At Lucca, we have built ours on the basis of **four beliefs** which, in our opinion, help guide the creation of a quality framework:

- 1. **Define cross-functional skills**, starting with the core skills expected of all employees at the company;
- 2. **Keep it simple** by limiting the number of skills expected for each job and each qualification;
- 3. Adapt the content of the framework to the level of seniority (or qualification) of your employees;
- 4. **Opt for a four-level rating scale** ranging from beginner to expert.

1. Define cross-functional skills

You can use a skills framework to (re)define the key skills expected of all company employees, regardless of their individual jobs. These skills may be:

- **soft skills that form the basis of your company's corporate culture**, such as showing team spirit, taking the initiative, contributing to the company's external image, etc.
- knowledge or hard skills essential to the business sector, such as basic knowledge of cybersecurity, tech culture, sales techniques, etc.

It's also a good time to define **what's expected of more senior employees in key positions (manager or expert)** in terms of a few cross-functional skills that apply to all sectors (strategic vision, analysis and arbitration, ability to influence, innovation, etc.).

These cross-functional skills are not essential, but we highly recommend them as **they provide a** framework for your corporate culture, clarify your expectations and ensure that your current and future employees adhere to this culture.

2. Keep it simple

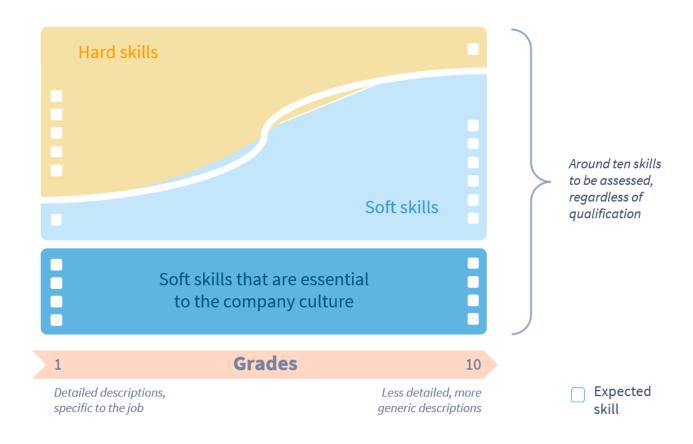
To avoid making your skills framework unnecessarily complicated, which can quickly render it unusable and obsolete, it's important to **limit the number of expected skills** per job. We recommend having no more than **ten skills per job** (this is already a lot).

Similarly, we recommend making **descriptions as concise as possible**. This makes them easier to read, and therefore easier for employees to use.

3. Adapt the content of the framework to your employees' profiles

The categories of skills assessed (knowledge, hard skills, soft skills, languages) and the level of detail in the descriptions vary according to the seniority of the employee, and therefore their qualifications:

- The most junior employees need to first of all develop their hard skills in order to gain autonomy. They generally need precise descriptions detailing objective expectations to help guide them through their development.
- As employees become more senior, the more important soft skills become, especially for managers. Hard skills are expected to be mastered. The descriptions of these skills can be less detailed and more generic.



In concrete terms, here are a few examples of skills grids based on qualifications:



4. Opt for a four-level rating scale

The rating scale must be flexible enough so that there is space for progress between each level of mastery of a given skill. Most often, scales have between three and five levels.

We recommend a **four-level** scale because it forces evaluators to make bolder choices (on a five-level scale, evaluators that like to please will tend to select the middle level).

The option of adding a "non-applicable skill" comment to the evaluation form enables you to take into account cases where an employee has not yet had the opportunity to show that they can master a given skill.

Is your time limited?

The format of your skills framework also depends on how much time you can and want to devote to the project: is it one of your priorities for this year? If you're short of time, there are other options available in the short term so you can avoid having to put together a full skills framework.

If your main goal is:

	Recruitment	Employee loyalty	Performance assessment
Alternatives to the skills framework	A list of company values broken down into a few key soft skills that are expected of candidates. Job descriptions created on an ongoing basis, each time a new position is created that detail the main tasks, experience and skills required to meet the team's needs at that moment.	A job framework to make it clear what internal career development opportunities are available. No skills framework, but two simple questions are asked at every review: What is currently your biggest strength? Which skills would you most like to improve on?	A set of requirements that applies to all employees, enabling performance to be assessed without going into detail about the specific skills expected. For example: achieving objectives, having an impact, mastering skills, embodying company values.

A number of "off-the-shelf" skills frameworks are available to help you create your own. These resources should serve as a working basis only. They should be used wisely according to your company's specific needs.

• Public resources: <u>European commission framework</u>, etc.

4. What is the right tool to use?

Many HR teams use Excel or Google Sheets for their job and skills databases. These are excellent tools, but they require you to:

- keep everything very simple;
- task somebody with ensuring that the file is kept clean and updated on a regular basis;
- ensure that employees and managers can access the file;
- avoid having multiple different tools to consult on the day of a review.

The problem is that these requirements are not always met. The larger the company, the more difficult it is to keep files clean and up to date.

Here are four reasons why you should wave goodbye to Excel:

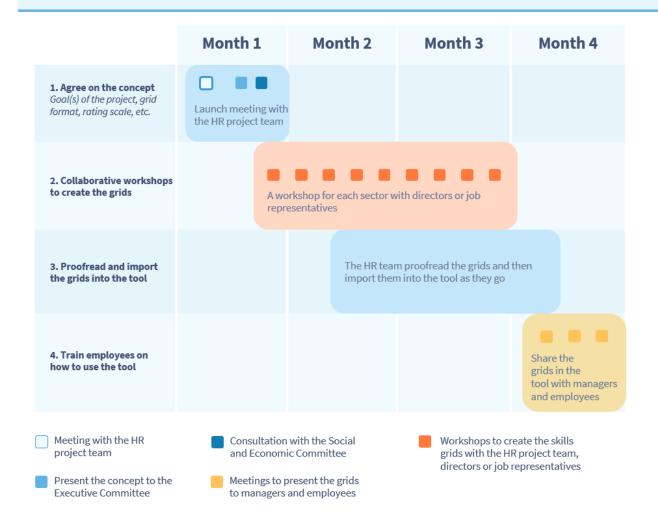
- Having an integrated tool means using only one tool during reviews and having a better chance of them being used correctly;
- Facilitate and therefore encourage employees and managers to use the framework;
- Make it easier for HR teams and managers to update the framework;
- Make it easier for the HR team to consolidate and analyze data.

Keep in mind: it's important not to create a framework or HR process in order to meet the requirements of a specific tool. The tool needs to serve the process, not the other way around.

5. Lucca's six pieces of advice: key factors for success and pitfalls to avoid

- **First of all: try not to be influenced by trends.** Before starting this project, make sure you're responding to a real need. Don't force yourself to take on the project if it's not one of your priorities for this year. Ask yourself what needs a skills framework would enable you to respond to and focus on that. It may be:
 - Lack of evidence for performance assessments;
 - Talent retention issues;
 - Lack of focus in recruitment.
 - **Don't go it alone**. A framework is built by a group of people, not by an HR team working alone. The team needs to set the framework and involve managers in putting together the content, by organizing workshops by department or sector, for example.
 - **Update it regularly**. Above all, a skills framework must not be set in stone, but must evolve over time:
 - when the company's strategic objectives and/or environment change;
 - o when new jobs emerge, requiring new skills;
 - o and at least once a year to ensure that needs have not changed for existing jobs.
 - **Help managers**. To ensure that a framework is used in the right way and at the right time by teams, it is important to train managers and make sure they are familiar with the tool.
 - **Prioritize clarity**. It is essential that this framework is clear and easily accessible to all the company's employees if it is to be useful and enable effective career management.
 - **Think ahead.** Companies will require new skills in upcoming years, such as knowledge of artificial intelligence, remote management, etc. By integrating them into your framework now, your teams will be ready (in terms of staff and skills) when the time comes.

Bonus: A simplified sample schedule for co-creating a high-quality skills framework



What to do if...

Some real situations we have come across at Lucca.

A new job has been created but has no skills grid linked to it.

Set rules to manage the creation of new jobs. For example, a new job can only be created if it has a skills (and salary) grid to go with it. This will enable you to better target candidates during recruitment processes, and to have an up-to-date skills grid for all employees on the day you conduct reviews.

• Employees from a department report that the skills grid for their job doesn't reflect their day-to-day reality.

It's probably because the skills grid hasn't been updated recently, or that employees haven't been involved in creating it. You now need to organize a workshop to review the framework collaboratively, involving a few eager employees.

• Some grids are considered too complicated and difficult to read.

In this case, don't hesitate to simplify it. Making it simple does not mean it won't be precise. By limiting the number of skills and the length of descriptions, you'll have more readable skills frameworks that are more widely used by your teams.

• An employee reports that it isn't clear what they need to improve on in order to progress.

The first thing to do is to check whether other employees are experiencing the same problem. If there are several employees experiencing the same problem then the whole framework needs to be reviewed, making sure it distinguishes between the levels expected according to seniority (or qualification). Descriptions should include real tasks expected of employees on a day-to-day basis.

If this employee is the only one struggling to understand the framework then you need to organize a meeting with their manager to go through the framework together and explain the expectations using the clearest examples possible.

You now hold all the cards, so it's over to you!

Glossary

Skill category: The category is used to structure the skills framework into four main groups of skills. These four categories are: Knowledge, hard skills, soft skills and languages.

Skill: Ability recognized in a given subject by virtue of the knowledge possessed and which gives the right to judge it (translation of Larousse definition). Examples: legal advice, English, C# development, deadline management, etc.

Rating scale: The rating scale is used to measure an employee's level of a given skill. It is made up of a fixed number of levels that can be selected. Examples: Beginner, Intermediate, Experienced, Expert.

Sectors / Groups of jobs: Grouping jobs together that require the same or similar skills. Examples: HR, Finance, Product. Etc.

Grade: Numerical information corresponding to a level of seniority within a job, often associated with the hierarchical level. Grades are used to show possible levels of progression within a job.

Skills framework: Set of skills required and levels expected by qualification for a given job.

Job title: A short description of the employee's job and level of seniority. Unlike qualifications, job titles can include organizational details that go beyond the job itself, such as the location or objective of the position. They are also intended to be used externally. For example, they appear under an employee's name on a business card, or on their LinkedIn profile.

Examples: Director of Operations EMEA, Global Chief Happiness Officer, Cleemy Product Manager, etc.

Job: "A profession characterized by a specialization that requires training, experience, etc., and falls within a legal framework" (translation of Larousse definition). Jobs are defined on the basis of skills, i.e. two jobs are considered to be distinct from each other if more than 80% of the skills they require are different. Examples: Recruitment, Accounting, Product Management, Development, etc.

Qualification: A combination of job and grade, essentially used to specify the level of seniority within a given job. Examples: Junior accountant, Senior developer, Expert accountant 1, etc. Unlike job titles, qualifications are a much more structured concept, determined by the company, and mainly for internal use.

Knowledge: Expertise acquired through learning or experience. Knowledge can be expressed as follows: "I know... / I have learned..."

Hard skills: Actions that enable employees to apply knowledge. It can be verbalized as follows: "I know ..."

Soft skills: Attitude that can be verbalized as follows: "I am..."