



in collaboration with



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The ultimate guide to the skills-based organization

How skills intelligence paves the way for
successful transformation



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What's behind the skills imperative



Today's businesses are in a race to build and cultivate skills. Countless reports and surveys tell us that skills gaps are widening and that the only way to get ahead in our ever-evolving world is by taking action now. But what does that mean?

For most HR and business leaders, it's a numbers game. It's about upping a workforce's inventory of skills. However, viewing it as a quantity problem prevents leaders from seeing what's really fueling the skills imperative: constant supply and demand changes.

On the demand side, businesses need dynamic workforces that can build skills quickly to meet rapidly evolving priorities. From the supply perspective, employees have more choices than ever before. They are empowered to look for organizations that offer flexibility, autonomy, and perhaps most importantly, the opportunity to grow their skills.

The state of skills



In the world of work, a lot changed over a very short period. For years, work was all about jobs. Jobs dictated everything from who performs what to how much they got paid to do it.

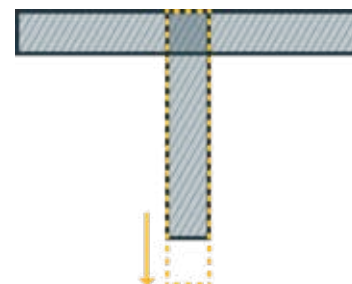
Today, businesses have set their sights on agility as the ultimate competitive advantage, and skills have stepped into the spotlight. The good news is that when organizations embrace workforce pixelation by unboxing skills from jobs, talent can be redeployed quickly to meet new challenges as they arise. The challenge is that, for many companies, skills data is fragmented, hard to maintain, and hard to act on. Cracking this challenge has become essential to get ahead of skill gaps and deliver on critical transformation initiatives.

As the conversation builds, there are a few terms that will continue to dominate discussions.

A skills glossary

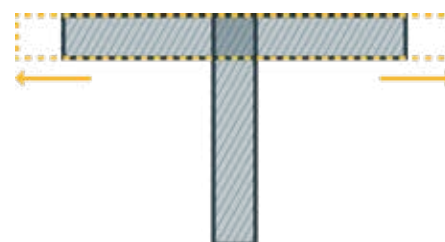
Upskilling:

Upskilling describes any process that helps someone answer the following question: **“What additional skills do I need to progress in my current career?”** It’s about enabling employees to accelerate their progression up traditional, linear career paths.



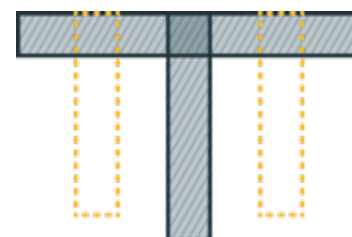
Reskilling:

Reskilling is about being able to answer these questions: **“What skills do I need to transition from one department to another? How can I change lanes?”** It happens when employees' interests and ambitions change, and they want to transition into a new team or department.



Cross-skilling:

Cross-skilling is about recognizing that since we’re living in a dynamic world, there are some skills that everyone will need, regardless of the role they’re in. The purpose is to develop a portfolio of skills that are valuable across multiple verticals, functions, or domains. It answers this question: **“What skills will serve me across various roles and industries?”**



If we look at a T-shaped model in which the vertical bar represents an employee’s depth of skills and the horizontal bar indicates the range of skills, here’s how the terms differ:

- ▶ Upskilling is about lengthening the vertical base of the T
- ▶ Reskilling is about moving the vertical base of the T
- ▶ Cross-skilling is about lengthening the horizontal top of the T

Skills mapping:

Skills mapping is the exercise of building a database of how skills align to each role in your organization, and to each employee across the company. This ladders up to provide aggregate skill visibility within departments, geographies, and even organizations at large.



Skills inventory:

A skills inventory is an internal database of employee skills, experiences, goals, and roles. Generally, it will include a combination of technical abilities and soft skills. Skills inventories can help HR professionals identify where critical skills sit within their organization, indicating where to invest in training and upskilling to overcome gaps, and where to prioritize future hiring needs.



Skills-based hiring:

Skills-based hiring focuses on acquiring new talent and reallocating existing talent based on skill sets, rather than job titles or positions. Rather than embarking on a lengthy candidate search process when a vacancy arises, companies that practice skills-based hiring prioritize internal candidates who possess transferable skills that can help them take on projects and roles across the organization.



Roadblocks in the skills revolution

So why is getting the right skills data so hard? Today's businesses are facing a few key roadblocks to achieving their skills transformations: These roadblocks include:

A lack of visibility

Many employers don't have a full picture of the capabilities within their organization. Mercer found that [2 in 5 HR leaders don't know what skills they have in their workforce](#). Why are so many leaders still in the dark? For a long time, skills tracking has been primarily manual, making it cumbersome and virtually impossible to keep up to date. It's only in recent years that AI platforms have begun to enable simple and personalized career experiences at scale, without herculean human efforts.



The speed of change

The skills that might have set your workforce apart three years ago probably look very different from the competencies that matter today. That's because the half-life of skills is quickly shrinking. Gartner found that [one in three skills in an average 2017 job posting has already become obsolete](#), illustrating just how steep the challenge is for HR leaders to tackle. They're chasing a moving target.



The need for business buy-in

Empowering your people to upskill and reskill isn't just about equipping them with the tools and resources they'll need; it also requires guidance from management. Mercer found that [the](#)



employees who were most excited about reskilling were those that felt their manager has their back, they work in a climate of trust, and they can decline unreasonable requests.

The need to put skills in action

While having insight into skill gaps is one thing, effectively bridging those gaps is another. Engaging learning content is a step in the right direction, but reading about news skills won't drive mastery. Employees should also have the chance to participate in hands-on learning experiences such as projects, gigs, and mentorships.

As Amanda Nolen, co-founder of the educational transformation consultancy [NilesNolen](#), explains, "Learning requires involvement beyond binge-watching videos. Would you let a surgeon operate on you if she has binged-watched videos of other doctors in the operating room? Building real skills, let alone expertise, needs a lot more than that."



Skills you have:

Skills you need:

Python

Close the gap

These opportunities that would help you fill your Python gap:

Mentor

Courtney Henry
Machine Learning Engineer

Top skills:

Project

Help build our conference microsite!



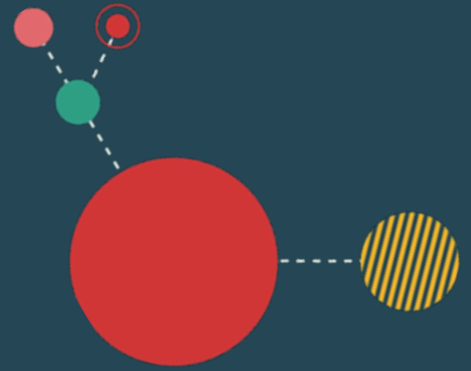
Where skills are headed next, by David Green

David Green is one of the leading voices in people analytics and data-driven HR. As a Managing Director at Insight222 and a former Global Director of People Analytics Solutions at IBM Watson Talent, Green has watched skills emerge as the common thread connecting many aspects of talent management. So we tapped him to weigh in on where the skills imperative is headed next:

“We’re moving beyond the legacy of competency frameworks and moving more into understanding skills of the workforce. What’s really fascinating about the skills conversation is that it is breaking down silos and touching many different parts of HR. If you start to think about it through the eyes of the employee, which more companies are doing with a more human-centered design approach, you realize that employees don’t want to think about learning over here and recruitment over there. It’s about really understanding your job, your career, and where you are going to go next.”

As we start to double down on skills, I think we will ultimately get a better understanding of the work that we need people to do and then understand what people can do and what they are doing. Consequently, we’re going to see workforce planning shift to become more continuous. It will be less about an annual plan that ends up in a drawer and three to five-year timeframes. We, of course, need to be looking further out, but the reality is that people are really focusing on the next 6, 12, and 18 months and they want to be able to plan for that organization.”

The missing piece of the skills-based organization



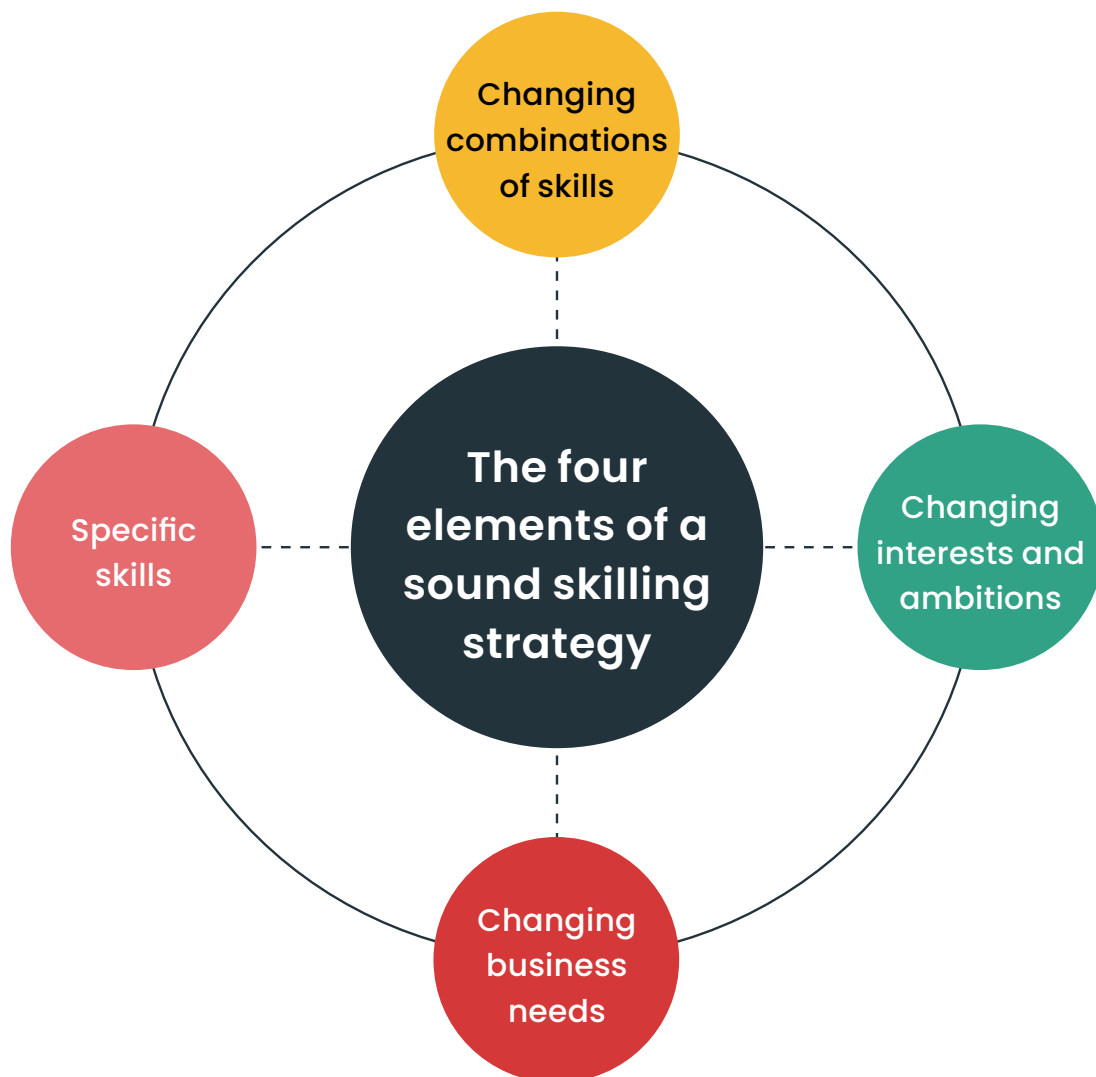
Our world is becoming more dynamic. Leaders are starting to move away from packaging work into jobs. As these changes gain momentum, there's a new organizational structure that's starting to gain popularity: [the skills-based organization](#).

Skills-based organizations place skills and capabilities at the heart of their talent strategies, which creates a revolutionary new operating model that unlocks agility and drives innovation. But while unboxing work from jobs is a massive leap forward, there's still room—and a crucial need—to take skills-based approaches one step further.

The most innovative enterprises recognize that work isn't only rooted in their workforce's skills and capabilities. Dynamic factors such as reshuffling in valuable skills combinations, evolving employee interests and ambitions, and changes in business needs must be taken into account when designing skilling strategies. Smart skills-based organizations dynamically

integrate these four factors into their skilling strategy in order to respond to work's ever-changing landscape. These kinds of businesses are able to see both the supply and demand sides and remain aligned in real time.

Becoming a dynamic skills-based organization requires us to set aside traditional operating models and obsolete “tried-and-true” strategies, and begin to reimagine work and workforces.



The three dimensions of skill-building

Right now, many leaders are taking a two-dimensional approach to building new competencies. If you fall into this category, you might be thinking about skills on one side and your workforce on the other. You probably analyze the skills your business needs, and find talent—internal or external—to develop or contribute these capabilities. This inventory mindset would function well if the world of work were static and all you needed was to grow a certain number of skills in your workforce or develop more competencies in a specific area.

Unfortunately, viewing skills as a two-dimensional challenge doesn't hold up in our dynamic world. When HR leaders start thinking about skills in response to shifting priorities, a third dimension becomes evident: change over time—applied to both their organization and their people.

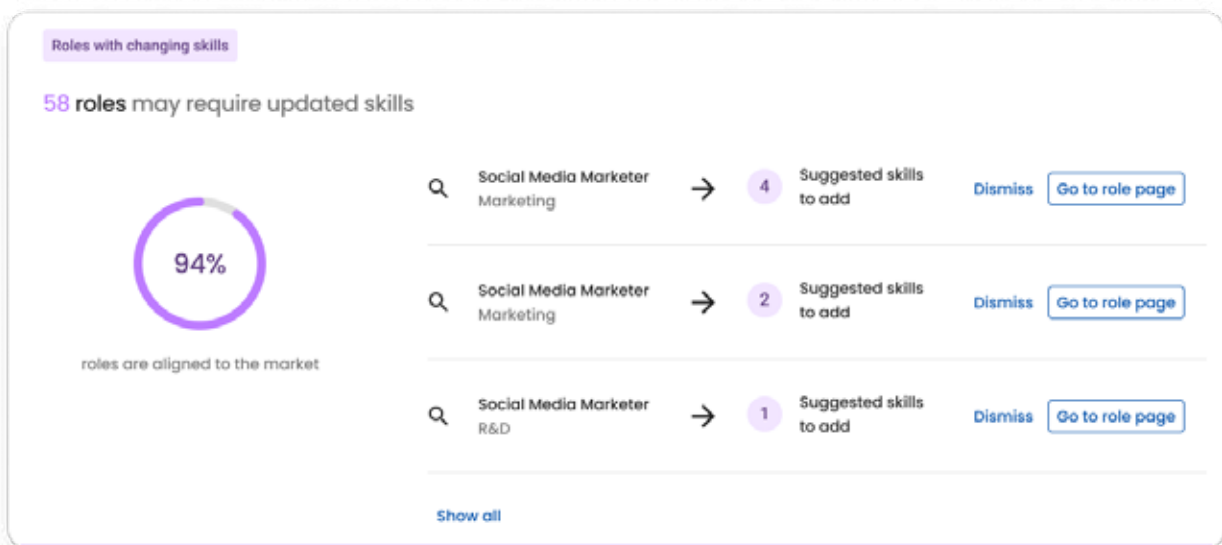
▶ Over time, the **skills** your business needs will change.

▶ Over time, the **combinations of skills** required in specific roles and individuals will change.

▶ Over time, your individual **employees' aspirations and interests** will change.

Each of these factors is influenced by the two others and together they create a constantly evolving set of upskilling, reskilling, and cross-skilling needs. This third dimension highlights why skills can't be dealt with as an inventory problem and why skills-based organizations must be dynamic. Agile skill-building requires an ongoing collection, classification, and analysis of multiple data points, including employee interests and ambitions, skills cluster trends, and evolving business priorities. The human brain wasn't built to juggle this many variables, which is why dynamic skills-based organizations leverage AI solutions to align these factors and put them in context.

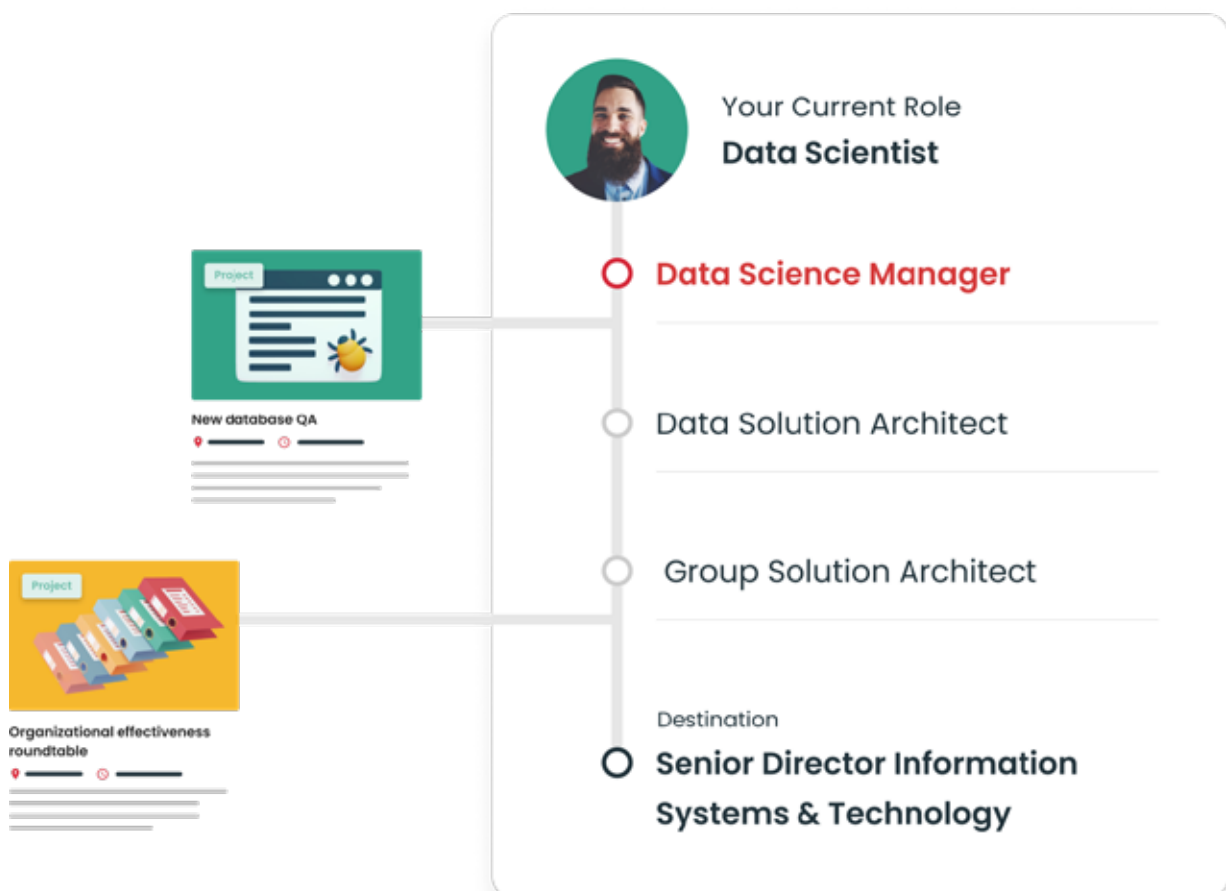
“This is good news, as instead of focusing on upping the number of skills within their workforce, it frees up leaders to think about the changes they will need to make to better prepare, access, and develop their people to get work done, inside or outside of the confines of traditional jobs,” says Jeff Schwartz, our VP of Insights and Impact.



Beyond the employee lifecycle

Businesses that harness AI-powered skills infrastructures quickly understand they need workforces that can dynamically build new skills, rather than workforces with a certain inventory of skills. As Schwartz goes on to explain, *“It’s not about finding a needle-in-a-haystack employee who has the perfect match of competencies that you’re looking for, but instead creating plenty of near-matches and knowing how to grow your people.”*

So how do dynamic skills-based organizations grow these near-matches into perfect ones? They start by trading the traditional employee lifecycle for a new model that puts dynamic skill-building at the heart of your employee experience.



The three stages of the traditional employee lifecycle



Attract

Companies use their employer brand, recruitment marketing, and a strong culture to encourage top talent to join their workforce.



Develop

Once workers join their organization, they receive ongoing opportunities to expand their expertise, often through upskilling and reskilling initiatives, on-the-job training, and mentorships.



Retain

After employees are fully integrated into your organization, the next objective is to keep them and ensure they continue to contribute to your business.

The three stages of the skills-based organization employee lifecycle



Access

The priority has shifted from hiring talent to unlocking skills visibility, harnessing all of the capabilities in workforces, and empowering people to continuously adapt and develop new knowledge. The emphasis is moving from individual skills to the combination of skills and interests that individuals and teams possess.



Grow

Dynamic skills-based organizations value talent mobility over one-size-fits-all development plans. Employees are driven to expand both the breadth and depth of their expertise on their own terms, rather than being told which skills they should learn when.



Connect

The dynamic skills-based organization sees talent pools that go beyond their full-time workforce. Rather than focusing solely on retaining employees, these businesses strive to maintain relationships with talent inside and outside of their organization to maximize the skills they can tap into and enhance talent mobility.

L&D as a key strategic initiative, with Udemy Business

In the skills development conversation, learning is king. To get deeper into the fabric of L&D, we sat down with Fernanda Silveira, Senior Product Marketing Manager at Udemy Business.

Between the specific needs of hybrid workers, a shrinking talent pool, and ever-widening skills gaps, people leaders are asked to adapt and play a key role in ensuring that organizations remain competitive. They know that continuous talent development is fundamental to keeping their workforces resilient, engaged, and future-ready. And learning is a key piece to helping organizations thrive in this new era of business.

As a result, the corporate online learning market share is [expected to increase by \\$37.80 billion](#) between 2020 and 2025. Learning is having its moment, and L&D has taken a front seat as a crucial strategic initiative for most organizations. Many are turning to leading learning partners such as Udemy Business for integrated learning solutions, which allow them to deliver impactful talent development programs and tie these to real business results.

Integrated learning solutions enable effective talent development across all functions, levels, and learning needs. They can help companies increase employee engagement and achieve their most

critical outcomes. But what makes Udemy Business successful is that we're not a traditional learning platform. Our unique marketplace model disrupts the typical publisher model of long development cycles and no mechanism for learner feedback. Since we're also a creator platform, our course creators—who are real-world experts—only get rewarded when learners engage with their courses, which is a huge motivator for producing and delivering high-quality content.

Publicis Sapient harnessed an immersive learning solution with Udemy Business

After battling against a shrinking talent pool and significant skills gaps, Publicis Sapient looked to skills development to solve talent shortages. To stay ahead of the pace of digital transformation, the leading technology consulting firm launched a top-quality advanced learning program.

Through learning, Publicis Sapient increased consultant certifications by 20% and began onboarding new hires 66% faster. As a result of their strategically designed learning program, they experienced significant revenue growth and increased new business.

Why it worked

Staying ahead of digital transformation requires a dynamic approach to learning. By leveraging the Udemy Business integrated learning solution, [Publicis Sapient](#) ensures every employee gets ongoing access to courses that align with the skills they're looking to build.

Skills infrastructure in action



Although many businesses are shifting their agendas and starting to view skills as a top priority, far fewer are dynamically developing critical competencies.

Yet, there are a handful of pioneers that are harnessing skills infrastructure tools like Gloat's Skills Foundation to gain full visibility into the knowledge their people have and the capabilities they will need next. By combining Skills Foundation with a talent marketplace, these visionary companies can dynamically align employees to projects and roles in real-time, based on the competencies their people have and the skills these tasks require.

HSBC created a future-fit skills agenda

With more than 40 million customers relying on their financial services, HSBC wanted to ensure its workforce had the capabilities needed to thrive in the new world of work. Leaders decided to launch a future-fit upskilling strategy that would break down silos, unlock potential, and fuel meaningful career development.

To turn their vision for dynamic skill-building into a reality, HSBC harnessed a talent marketplace and skills infrastructure tool to identify existing knowledge gaps, power internal mobility, and create a launching pad for their next chapter of work.

Reflecting on the role their platform plays in fueling their future-fit skills agenda, Hamish Nisbet, former Group Head of Resourcing at HSBC, explains, “[Gloat] is helping us build a skills-based organization through capturing what skills employees have and what they want to learn.”

Why it worked

In addition to leveraging a talent marketplace to empower employees to take on new projects across the business, HSBC’s leaders also use the data and insights the solution provides to make strategic workforce planning decisions. All of the engagement data from the talent marketplace provides useful insights that drive the next steps of HSBC’s skills-based transformation strategy.



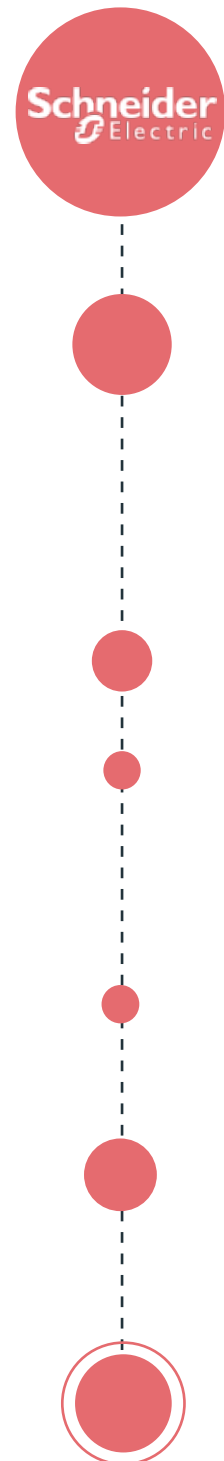
Schneider Electric developed an employee-driven skills strategy

When surveys revealed a significant number of employees cited a lack of internal growth opportunities as their primary reason for leaving the business, Schneider Electric recognized it was time to do something different. The organization devised a new strategy to encourage employees to expand their skill sets so that they can grow their careers with the business.

Schneider Electric introduced a talent marketplace called Open Talent Market to match people to relevant career, project, and mentorship opportunities. Reflecting on the profound change that the platform helped initiate, Schneider Electric's VP of Digital Talent Transformation, Jean Pelletier, says, "We always said the employee is empowered to drive their career but for a long time, we weren't actually enabling it. And that's where Gloat's talent marketplace has really helped us. Now we're able to put our money where our mouth is."

Why it worked

An employee-driven skills strategy ensures that people aren't learning simply to add to their list of skills, but instead participating in meaningful training that can go in new directions as workers' interests and ambitions change.



MetLife inspired their people to see their potential

MetLife wanted to ensure their workforce had the tools, insight, and inspiration to not just adapt to change but to lead it. After creating a Workforce of the Future development fund several years ago, the leading global insurance provider set out to help employees gain the skills and knowledge necessary to thrive in the digital economy.

As part of this initiative, MetLife implemented a talent marketplace designed to connect its people to relevant learning experiences that align with both their professional ambitions and the needs of the business. As Keegan Bowman, Associate Vice President of Skills and Performance, explains, “What we’re looking at doing is giving people a view into the possibilities. We think that’s going to be so much more valuable than having a perfectly planned out, linear career path.”

Why it worked

A forward-looking approach sets Metlife apart. Rather than a one-size-fits-all curriculum, workers gain visibility into potential career directions and are empowered to make upskilling and reskilling decisions that align with their goals.





Talent marketplaces and skills infrastructure tools: agility's dynamic duo

As leaders reimagine work and careers, they must also upgrade the tools and platforms used to underpin them. Much like the businesses they supported, traditional talent management technology was built for stability and predictability, rather than agility and scalability.

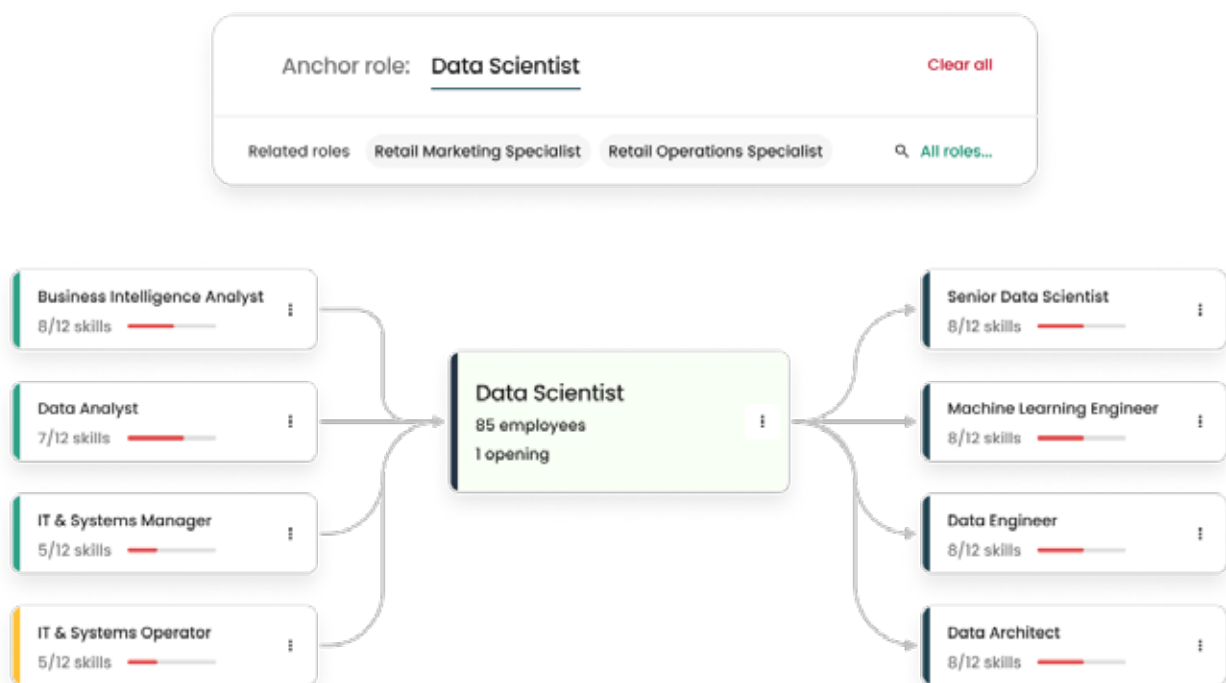
As Mercer's Global Leader for Transformation Services, Ravin Jesuthasan, explains, "We've talked about agile for many years but agile has always been hamstrung by the fact that you have work being done in jobs so you have that continuous friction of deploying skills to work that is always there. As we see the world of work change, we are seeing organizations make this steady move towards skills as the new currency."

Most notably, businesses need technology that enables them to dynamically reallocate talent as new priorities emerge and consumer demands shift. They need something that captures

emerging knowledge gaps, identifies the competencies their people already have, and empowers leaders and employees to embark on pathways to build the skills their organizations need next.

Talent marketplaces and skills infrastructure tools are designed to do just that. Talent marketplaces match employees to opportunities, just like Uber pairs people with car rides and Airbnb aligns travelers with destinations. Skills infrastructure tools equip leaders with full visibility into the capabilities their people have, the knowledge gaps they must prioritize next, and the pathways for developing these in-demand competencies.

Together, talent marketplaces and skills infrastructure tools create the ideal foundation for unlocking complete workforce agility by enabling leaders to dynamically shift talent to various projects, in turn putting both employees and skills in motion.



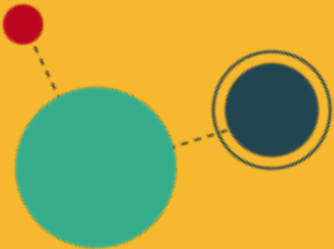


Looking to talent marketplaces and skills insights to reimagine work

Recent years have demonstrated just how quickly things can change. We've seen operating models flip upside down, decades-old strategies redrawn, and tried-and-true frameworks rendered obsolete overnight. There's no doubt that the world we're living in is dynamic and ever-changing. The real question is; how can we restructure our businesses to keep pace?

The answer lies in boldly reimagining the way we work. Rather than clinging to jobs as our dominant model for getting things done, we must start looking at skills as the new work order. And it's only once we develop a comprehensive understanding of the skills our people have and the knowledge they wish to acquire that we'll be able to deploy the level of agility that our new world of work requires.

To fast-track your business's reimagination journey and set yourself apart as a dynamic skills-based organization, just ask for a demo. We have a lot of smart people who just want to chat with you about how an agile workforce operating system could take your workforce to new heights.



**Want to build the future of
skills for your organization?**



Book a demo

