

THE TOP 5 OBSTACLES TO BECOMING A SKILLS-BASED ORGANIZATION

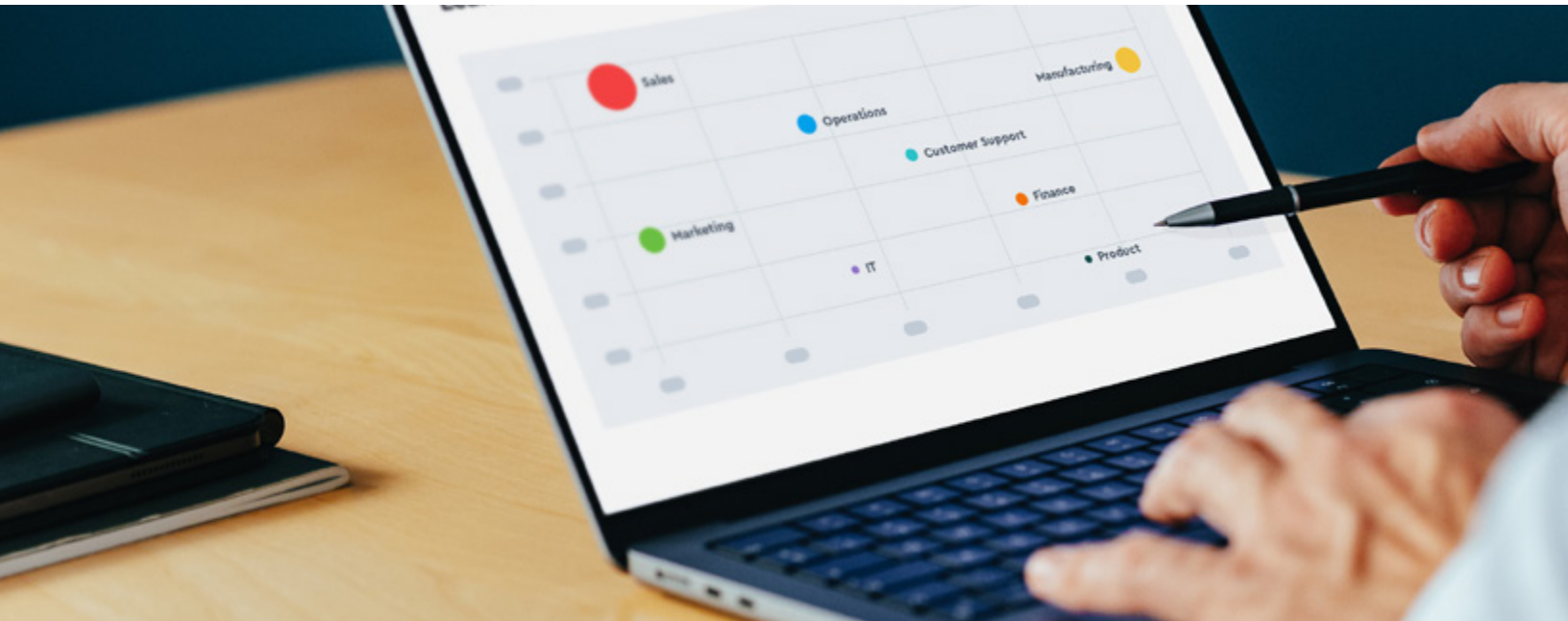
And how to overcome them





Table of contents

1	Obstacle: Wrangling complex data sources	04
2	Obstacle: A fragmented view of skills data	06
3	Obstacle: Lengthy time to insights	07
4	Obstacle: Irregular employee participation	08
5	Obstacle: "Legacy" mindsets preventing transformation	09





The landscape of skills is continually evolving, with new skills emerging and reshaping jobs every day. Having a solid skills foundation is no longer an option—it's a fundamental business requirement.

Organizations are increasingly shifting from a jobs-based to a skills-led approach. In an era of rapid technological change, labor shortages, and shifting employee and customer demands, rigid work structures simply don't work.¹ Skills-led businesses are 63% more likely to achieve business results and benefit from significant organizational outcomes: skills-based organizations are 107% more likely to place talent effectively, 98% more likely to retain high performers, and 57% more likely to anticipate change and respond efficiently.²

The benefits of a skills-first approach are well established, but the journey from jobs- to skills-led is often long and complex, with a series of common obstacles that make the transformation difficult. First, you need to invest in new technologies—the volume and complexity of skills data and associated taxonomies alone leaves many leaders feeling overwhelmed. Once you have the technology you need, you must to implement it, train employees, and drive organizational adoption.

Without the right insights, jumping into an advanced skills solution like a talent marketplace can leave leaders wondering how core business needs are being supported. The key is to first build the right foundation based on your actual needs, understanding the skills the organization has and the skills that are missing.

By starting with skills insights, organizations can plan more strategically for the short and longer term, ensure talent leaders are well-equipped to collaborate on skills initiatives, find the right candidates for training, and determine what success looks like.

This guide breaks down five common obstacles leaders face on the skills journey, and outlines the strategies to avoid them.

Skills-based organizations are

107%

more likely to place talent effectively

98%

more likely to retain high performers

57%

more likely to anticipate change and respond efficiently



1

Obstacle:

Wrangling complex data sources

Data enables businesses to make informed decisions, facilitates innovation, and improves operational inefficiencies. When it comes to skills, data and analytics help you understand what skills your people have now, and the skills they're going to need down the road. Yet, capturing and standardizing skills data is a real challenge for organizations.

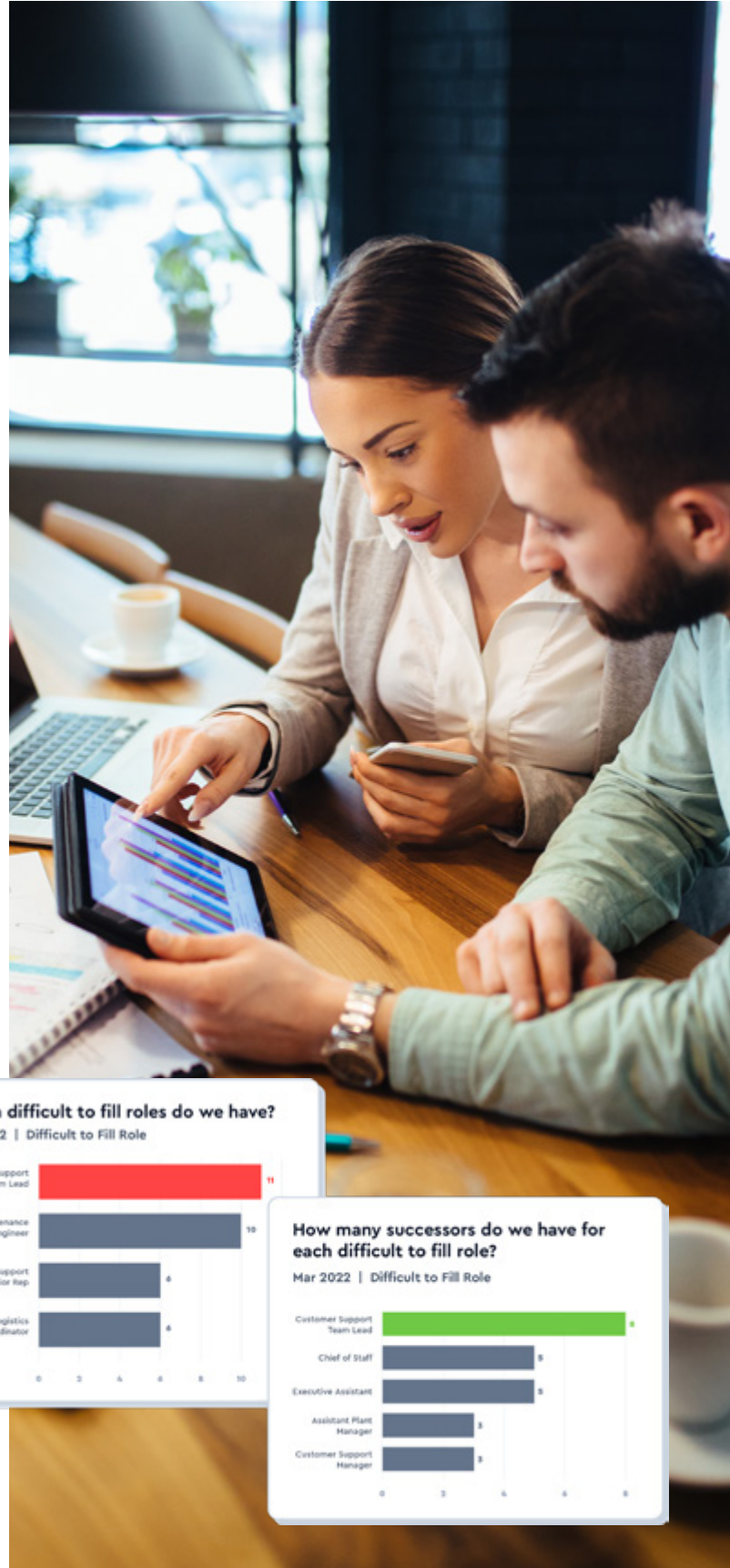
The complexity of dealing with so much data leads to significant challenges: disparate data sources can lead to poor data quality, data maintenance complexities can eat up time and drive up costs, and multiple taxonomies can create a confusing web of inconsistencies.

Three primary skills data challenges:

- 1 Disparate data sources
- 2 Data maintenance and upkeep
- 3 Multiple taxonomies that aren't compatible

1. Disparate data sources and poor data quality

Managing skills data can quickly become a nightmare. Skills data can include people data from multiple sources like employee resumes, learning management systems (LMS), applicant tracking systems (ATS), human capital management (HCM) systems, human resources information systems (HRIS), and many more.³ Without a single, unified source of data, you're left with the task of wrangling it all in, making it incredibly difficult to understand the skills in your organization with confidence and accuracy.



Which difficult to fill roles do we have?

Mar 2022 | Difficult to Fill Role



How many successors do we have for each difficult to fill role?

Mar 2022 | Difficult to Fill Role





2. Data maintenance complexities

Managing skills data across multiple solutions is complex and requires ongoing integration efforts, time, and maintenance costs. When employees and managers have to use different skill frameworks across different solutions, user adoption is challenging and often results in incomplete and outdated skills data.

The costs of data inaccuracy are significant. Poor data quality can lead to misguided decisions that have ripple effects on the business in the form of reduced efficiency, missed opportunities, and reduced revenue.⁴ Implementing a solution like a talent marketplace without a solid skills foundation risks building a system with inaccurate matches, hindering effective career management and compromising data quality.

3. Tangled taxonomies

Skills taxonomies—structured lists of skills in a business—can be general or industry specific, but they often vary and aren’t designed to talk to each other. The lack of interoperability between third party solutions that use different skills taxonomies makes it challenging to have a complete, holistic view of the skills in your workforce.

Mapping skills across different taxonomies is complicated and time consuming, ultimately fragmenting your view of skills within the business. Plus, it requires a heavy manual effort to align and reconcile skills. One option is to build your own skills ontology, but this can be a very slow, complex, and risky process that requires significant investments of time and money before any value is realized.

How to overcome this obstacle:

Standardize skills data and taxonomies

First, establish a clean foundation of skills data. A solution like a talent marketplace will only be as effective as the quality of the data behind it, so it’s critical to get a proper skills foundation established first.

Think of a talent marklace like an app used to book vacation home rentals. On one end is a database of hotels, condos, and homes available for rent and their amenities. On the other end, you input the criteria you’re looking for—location, length of stay, number of rooms, pet friendly—and are served a list of available properties that meet your criteria.

If a property isn’t listed in the database or correctly labeled as pet friendly, it won’t show up in your search results. The same is true when it comes to a talent marketplace. If the system doesn’t have the correct data, you’ll be served inaccurate results and miss key skills.

Look for a system that can ingest data from multiple sources, automatically capture skills data in any format, and standardize skills data with a global ontology. **Visier People® Skills Intelligence Engine** automatically pulls your skills data in from multiple sources and standardizes it with job title standardization and skills inference. Visier’s standardized jobs and skills ontology encompasses 3,300 occupations and over 14,000 skills—encompassing hard skills, soft skills, and knowledge skills—across 27 industries and 100+ languages, providing crosswalks between diverse taxonomies.



2

Obstacle:**A fragmented view of skills data**

Disparate data silos give you a fragmented view of your skills, which makes understanding what skills you have and seeing the skills you need nearly impossible. You're prohibited from leveraging skills in your organization to solve critical business problems simply because you don't have a holistic view of the skills and gaps that exist.

Relying on multiple third party solutions that are built to solve individual business problems only compounds the issue, leading to an increase in disconnected data sources and conflicting skills ontologies. These solutions often have limited integration capabilities with important systems like the HRIS, ATS, and LMS making it difficult—if not impossible—to bring data together into a cohesive skills foundation.

Additionally, these tools typically lack core people analytics capabilities, which is exceptionally limiting when it comes to truly understanding skills strengths and gaps—and using insights to drive business impact.

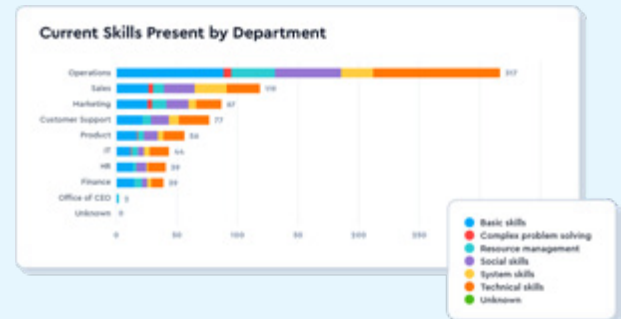
How to overcome this obstacle:**Establish a single source of reference**

A people analytics platform helps leaders overcome the grunt work that is typically associated with collecting skills data—which is notoriously difficult to manage—and applying skills data to answer critical questions. Use a system that integrates with various data sources and HRIS systems to avoid the costs and complexities of siloed skills projects.

With a well-maintained and centralized view of skills data, you'll have a continuously comprehensive view of the workforce skills in your organization. You'll be able to leverage multiple data sources easily, and glean critical insights you can act on. **Skills Intelligence Engine** delivers skills insights coupled with world-class people analytics capabilities, providing a skills lens to existing people insights and HR workflows so you can make informed decisions on key measures like workforce costs, retention, promotion, and diversity.

With a unified skills insights source, leaders can confidently answer these crucial questions:

- What level of skill expertise does a particular employee or department have?
- Which key skills are being lost to attrition?
- Are employees acquiring and developing the right skills as the business grows?
- Which key skills have a retirement risk?
- How should we change our recruiting strategy to hire more competitively for the skills we need?





3

Obstacle:

Lengthy time to insights

Organizations that rely on manual skills gap analyses and manual skills matching know the workload is cumbersome and slow—not to mention prone to inaccurate skills data. It can be tempting to move from a manual process directly into an advanced solution like a talent marketplace, but these solutions require a lot of time and effort to implement with little output in return.

A talent marketplace implementation requires a well-executed change management approach to ensure a well-designed and well-supported platform is rolled out. This process can easily take two to three years, but the landscape of jobs and skills is constantly changing. HR needs to provide insights that inform critical strategies on how to manage workforce reductions, adapt to changes in the market, and keep up with the impacts of A.I.—now.

How to overcome this obstacle:

Get rapid insights at the speed of business

Organizations must be able to keep up with the constantly changing landscape of jobs and skills and respond with agility. Starting your journey with skills insights enables you to answer critical questions fast so you can drive informed decisions that enable the business to adapt. When you combine the power of instant skills insights with people analytics, you have the ability to see a complete view of the current skills situation and quickly implement initiatives with a pragmatic approach.

Visier's Skills Intelligence Engine is quick to implement, and once optimized is able to offer skills insights overnight. Visier automatically captures skills data from multiple systems and uses job title standardization to instantly attribute skills to the entire organization—across all employees and their historical data. With a complete understanding of the skills and gaps you have, you can focus your attention on solving for critical skills gaps in the organization with an informed plan.

Skills insights answer time-sensitive business questions instantly

	 Reducing workforce	 Adapting to disruption	 Managing hyper growth
Scenario	My company needs to reduce its workforce due to financial difficulties, changes in the market, or other reasons.	My company needs to adapt to changes in the market like new technologies or competition to remain competitive.	My company experiences rapid growth, which can be challenging to manage.
Question	How should we navigate layoffs, downsizing, and other cost-cutting measures?	How can we develop these new skills and capabilities within the organization?	How should we manage hiring and training new employees while expanding operations and implementing new processes to support our growth?



4

Obstacle:**Irregular employee participation**

There's a large disparity between the sense of urgency to move to a skills-based organization and the effectiveness of the initiatives taken. Just 10% of organizations actually have an employee skills practice,⁶ and those with a skills management solution only have 30% employee adoption.⁷

Using the vacation rental platform example again: If the property owner doesn't update their listing availability and amenities, it won't properly show in the app search results. The same is true with a talent marketplace. The onus is on employees to complete information in the platform about their current skills, and to keep that information up to date. If employees don't use the platform or update their skills, you'll make important talent decisions with incomplete information.

Given the complexity involved in getting your arms around the current skills⁸ in the organization, there's always a risk of missing certain skills altogether. This is, perhaps, most likely for segments of the workforce that have limited access to digital technology in their daily role, including employees in service industries like healthcare, manufacturing, or transportation, or employees working in manual labor roles at utility and construction companies. Despite an increasing reliance on technology not everyone is digitally connected. And that presents a challenge.

Jumping into a solution like a talent marketplace without a plan to support employee adoption and inclusion will result in incomplete and inaccurate skills data, and ultimately lead to visibility gaps that hinder critical functions like workforce planning, talent development, and recruiting. If employees don't use the platform—or don't use it effectively—results will be inaccurate.

How to overcome this obstacle:**Automate updates instead of relying on individuals**

Get comprehensive workforce coverage. Rather than relying on employee adoption and digital access for critical information, use a system that automatically brings in skills and people data from various sources and applies job title standardization.

This approach is easier to manage and provides an instant, up-to-date snapshot of the organization's skills at any given time, enabling you to share insights with senior leadership quickly and easily. **Skills Intelligence Engine** instantly gives you a complete view of all employees regardless of role, location or access to technology.





46%

Of HR professionals identified legacy mindsets and practices as the largest barrier to a skills-led approach.



5

Obstacle:

"Legacy" mindsets preventing transformation

Becoming a skills-based organization provides leaders with the ability to future-proof the business—but it's an approach that can be complex and difficult to get right. The skills journey is often detoured by legacy mindsets and practices that continue to plan for jobs, rather than for how those roles will change when disrupted by new skill requirements. In fact, 46% of HR and business executives named overcoming legacy mindsets and practices as the largest barrier to a skills-based model.⁹

The skills-led operating model requires deconstructing jobs into tasks and viewing people through a multitude of skills, allowing employers to organize work in more optimal ways. Just 18% of executives strongly agree that their workforce is using skills and capabilities to their fullest potential, and fewer than half say they can quickly and easily redeploy skills to where they're most needed as work evolves.¹⁰

A successful skills journey requires HR, talent management, and recruiting teams to adopt an open mindset about how to package skills within the organization and recruit talent. It's not just HR that needs to get on board—stakeholders outside of HR like executives and people managers must be willing to adapt, too. HR managers are often met with resistance from hiring managers when they suggest adapting role requisitions to focus on skills instead of traditional requirements like years of experience.¹¹

How to overcome this obstacle:

Demonstrate the ease and accuracy of well-maintained skills data

Put the power of skills insight and people analytics to work. A skills-led approach requires buy-in across the organization, which can be difficult to foster. But all successful skills journeys start in the same place: with a foundation of accurate, complete, and up-to-date data and insights. By starting with a solid infrastructure, you can quickly scale skills initiatives while simultaneously driving critical business impact.

To start, distribute a skills-based view of the organization to HR and business leaders to build awareness, confidence, and buy-in before undertaking more complex challenges. When skills data is centralized and well-maintained, it's easier for all key stakeholders to use and understand.

When used together, people analytics and skills insights enable you to integrate skills with existing people data to make important decisions about succession planning, workforce costs, employee retention, promotion, pay and compensation, and diversity with a skills lens.



Avoid these five pervasive obstacles on your skills journey

Have the right tools to build a strong skills foundation

There are a series of common obstacles that mark the skills journey, including a variety of complex data sources, a fragmented view of skills data, lengthy time to insights, irregular employee participation, and mindsets resistant to transformation.

The key is to first build the right skills foundation. That's where Visier comes in. Our solutions arm you with skills insights and people analytics to give you a complete view of the skills in your organization, and those that are missing, so you can hire, develop, and retain the best talent.

Visier streamlines your skills transformation by:

- Standardizing skills data with a global skills ontology.
- Integrating multiple data sources to manage skills and people data with ease.
- Collapsing time to insights so you can spot and close your skills gaps quickly.
- Providing a complete view of all employees regardless of role, location, or access to technology.
- Integrating skills insights with existing people analytics to drive critical decisions.

To thrive in a rapidly and continually changing landscape, organizations must strategically make use of employee skills data to make fast, accurate talent and business decisions. Visier can help you avoid the pitfalls, minimize the barriers, and reap the rewards¹² from the benefits of a well-designed and well-implemented skills foundation.

Get a demo to learn more about how Visier can help you navigate your skills journey with ease.





About Visier

Visier's purpose is to reveal the human truth about your workforce and contribute to a better future.

Visier was founded to focus on what matters to business people: answering the right questions, even the ones a person might not know to ask. Questions that shape business strategy, provide the impetus for taking action, and drive better business results.

Visier delivers fast, clear people insight by using all the available people data—regardless of source. With best-practice expertise built in, decision-makers can confidently take action. Thanks to our amazing customers, Visier is the market leader in Workforce Analytics with more than 25,000 customers in 75 countries around the world.

For more information, visit visier.com





Endnotes

1. How to Shift Your Organization From Jobs To Skills-based. 2023. Visier. <https://www.visier.com/lp/organizational-skill-based-hiring/>
2. Cantrell, S. et al. 2022, September 8. The skills-based organization: A new operating model for work and the workforce. Deloitte. <https://www2.deloitte.com/us/en/insights/topics/talent/organizational-skill-based-hiring.html>
3. The Big Book of People Analytics: Skills. 2021. Visier. <https://www.visier.com/lp/big-book-of-people-analytics-skills/>
4. Flood, P. 2023, January 24. Experian. <https://www.edq.com/blog/the-consequences-of-poor-data-quality-for-a-business/>
5. Cantrell, S. et al. 2022, September 8. The skills-based organization: A new operating model for work and the workforce. Deloitte. <https://www2.deloitte.com/us/en/insights/topics/talent/organizational-skill-based-hiring.html>
6. i4cp. 2021, September 30. Study: Only 30% Of Companies Say Their Employees Have Needed Skills, But Few Understand Workforce Capabilities Today. <https://www.i4cp.com/press-releases/study-only-30-of-companies-say-their-employees-have-needed-skills-but-few-understand-current-capabilities> 6
7. Sapient Insights 2022-2023 HR Systems Survey Research, 25th Annual Edition, Sapient Insights Group, 2022. <https://sapientinsights.com/> 7
8. Williams, C. Ask Visier: How Do You Find Out What Skills Exist in Your Organization? Visier. <https://www.visier.com/blog/ask-visier-how-do-you-find-out-what-skills-exist-in-your-organization/>
9. Cantrell, S. et al. 2022, September 8. The skills-based organization: A new operating model for work and the workforce. Deloitte. <https://www2.deloitte.com/us/en/insights/topics/talent/organizational-skill-based-hiring.html>
10. Griffiths, M. et al. 2022, July 15. Moving your organizational strategy from jobs to skills. Deloitte. <https://www2.deloitte.com/us/en/insights/topics/talent/skills-based-organizational-strategy.html>
11. Hancock, B. et al. 2022, November 15. Taking a skills-based approach to building the future workforce.
12. Why Employee Skills Must Be Measured. Visier. <https://www.visier.com/blog/why-employee-skills-must-be-measured>



visier.com | info@visier.com | 1.888.277.9331

©2023 Visier Solutions Inc. All rights reserved.
Visier, Visier People, and the Visier logo are the trademarks and/or
registered trademarks of Visier, Inc. and Visier Solutions Inc. All other brand
names and logos are the trademarks of their respective owners.