The Big Book of People Analytics:
Skills

Contents

Why do skills matter?

Skills have always mattered—they're the foundation of how work gets done. But today, in a climate of accelerating transformation, the skills we need are changing more quickly than ever before.

Keeping up with this rate of change doesn't happen by accident. It takes strategy and planning for organizations to make sure they have the skills they need to stay competitive in an evolving business world.

But of course, there are no skills without people. That's why organizations need to help their people acquire upcoming, in-demand skills if they want to stay relevant. This kind of planning is called upskilling and reskilling, and just like any other kind of business decision or strategy, it needs to be grounded in data.

"As business priorities and the ways we work shift, the skills also need to evolve," said Sarah Danzl, Head of Global Communications at Degreed. "Since the start of the pandemic, more than 58% of workforces report skill transformations.[1] That's why business and HR leaders are increasingly taking a skill-based approach. You cannot fulfil your strategies if your workforce skills are lacking. **To put it simply, you can't change your business if you don't change your workforce."**

Skills are nothing new—what is new is the business landscape where skills lose relevance much more quickly than before. Adapting to this pace of change takes data and analytics. Taking a 'wait-and-see' or wait-and-hire' approach means waiting for your competitors to develop the skills, and the competitive advantage that comes with them, first. That's not a risk your business can take.

Data, analytics, and data science helps us not just to understand what skills our people have now, but which ones they're going to need next. That's no simple task—for many organizations, the path to upskilling feels overwhelming and confusing. After all, skills are complex and ever-changing things and traditionally, creating skills inventories has been long and arduous. How can we even start trying to nail them down in data?

That's the purpose of this chapter of the *Big Book of People Analytics*. We'll talk about what skill data is, why it's so valuable, how companies can use it to plan their upskilling strategies, and why skill data and people analytics are such a powerful combination.

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[1] Lack of Skills Threatens Digital Transformation. Gartner. gartner.com/smarterwithgartner/lack-of-skills-threatens-digital-transformation

"As business priorities and the ways we work shift, the skills also need to evolve. Since the start of the pandemic, more than 58% of workforces report skill transformations. That's why business and HR leaders are increasingly taking a skill-based approach. You cannot fulfil your strategies if your workforce skills are lacking. To put it simply, you can't change your business if you don't change your workforce."

Sarah Danzl, Head of Global Communications at Degreed

Why work with skill data?

Today, most of us understand that if we want our organizations to evolve so we can reach our goals, and to adapt as circumstances change, we'll need new kinds of skills. But creating a skills roadmap to get us started can be intimidating, especially if data and analytics aren't already a core part of daily operations at our organization.

Ironically, it's often a lack of skills that holds companies back from getting started with skill data. "The biggest hurdle preventing organizations from working with skills right now is a lack of visibility," said Todd Tauber, SVP of Strategy at Degreed. "Another key consideration is the skills of HR teams themselves."

Skill data initiatives typically fall to HR teams who may not have the data experience or tools to feel comfortable planning and leading them. This is a widespread problem—less than half of organizations report that they understand what skills they currently have, and even less, just 41%, have a sense of what roles are likely to be disrupted in the future and will require reskilling.[2]

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[2] Beyond hiring: How companies are reskilling to address talent gaps. McKinsey & Co. mckinsey.com/business-functions/organization/our-insights/beyond-hiring-how-companies-are-reskilling-to-address-talent-gaps

What's at stake?

Ready or not, the skills question is unavoidable. As in-demand skills keep changing, companies will have two choices—keep up or risk fading into obscurity.

That means embarking on reskilling and upskilling initiatives. But to do that, we need data, or there's no way to structure these programs for maximum impact, or even evaluate their success. Without skills and people data, skills-based planning can only be based on intuition—hardly an effective strategy when the organization's future is on the line.

Beyond business impact, skills decisions have real, tangible impacts on peoples' lives and careers, like their ability to develop professionally, or even maintain performance in their current job. That's why it's critical that decision-making around reskilling, upskilling, and skill planning efforts be driven by reliable data.

"Without data, you're just making decisions without all of the information that could be useful," said Mark Hanson, Product Owner of Skills at Emsi. "Business will still be able to operate, but you're going to be shooting from the hip a lot more than with targeted strategies and approaches to what you want."

Some companies may look to hiring as an alternative to helping their people build new skills. But it's an issue of supply and demand — many of these skills are only just emerging, and there simply isn't an army of people out there who have them just waiting around to be hired. And if you wait for those people to appear, it means that other organizations have beaten you to the punch on business transformation.

But that's not the only reason to focus on in-house skills development. People will leave to pursue career development elsewhere and when organizations lose their people, they also lose institutional knowledge—equally as difficult and time-consuming to acquire as many skills. To truly keep growing and reaching their goals, companies need both—people who know their organization inside and out, and who also possess the essential skills it will take to thrive in the new marketplace. Data-driven reskilling strategy is the only way to get there.

The long term risks of not focusing on skills are severe. At worst, organizations risk fading into obscurity entirely, as new markets, sectors, and careers that didn't exist before overtake them. This may sound dramatic, but it's a very real scenario—just look at Blockbuster, which went from a multinational enterprise to bankruptcy when they failed to keep up with the shift in consumer preferences from video rental to streaming.

Potential for growth

The good news is that those who are willing to tackle the skills challenge can see returns on their efforts quickly—maybe much faster than they thought!

It's common sense that proactively building skills would leave organizations better prepared for workforce transformation. In one recent study, 44% of organizations who were actively working to reskill shared that they felt well-prepared for disruption, in comparison to just 19% of those using other strategies.[3]

"Even organizations with early-stage upskilling and reskilling programs are seeing positive results," said Janice Burns, Chief Career Experience Officer at Degreed of the above research. "They've reported a boost in employee satisfaction, customer experience, pivoting to new business models, and addressing role disruptions. **In other words, you'll see a lot of different magic happen across your organization, and it'll happen pretty quickly."**

7 in 10 of the surveyed organizations shared that they saw payoff early in the reskilling process, and a staggering 48% had already seen a positive on their bottom line![4]

Clearly, the benefits of emphasizing skills reach far beyond just future-proofing your company. But maybe that shouldn't come as a surprise. After all, reskilling is all about investing in your people, and people are any organization's greatest asset.

44%

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48%

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[3][4] Beyond hiring: How companies are reskilling to address talent gaps. McKinsey & Co.
mckinsey.com/business-functions/organization/our-insights/beyond-hiring-how-companies-are-reskilling-to-address-talent-gaps

Reskilling is for everybody

Skills matter to everyone in a workplace—we rely on them to get work done every single day. Skills are the building blocks of work, and data helps us understand them much more deeply.

"Everyone should care about skills. With skills comes skill data — metrics can help individuals, managers, and executives alike"

Employees need reskilling not just to do their jobs better, but to stay competitive, and feel secure in knowing they're developing in-demand abilities. While it's true that some employees will take their new skills elsewhere, organizations that commit to developing skills will actually keep (and attract) more employees, because they're offering them additional value.

HR leaders are looking at the big picture when it comes to skills, trying to get a sense of where their peoples' skills are, and where they should be going next. Learning and development teams, by contrast, will be more tactical, looking for skills gaps and specific strategies to close them, including which existing skill sets can most quickly evolve.

Work *is* skills

Right now, business and HR leaders can only know people by their job titles. But that's a simplistic, reductive lens that limits the opportunities that people are given. Job titles may lack meaning even within one company (believe it or not, we've seen organizations with 15,000 employees and 10,000 job codes), not to mention that they can completely obscure any skills that an employee developed elsewhere or in previous roles.

Instead, we need to move towards understanding people by what they can do—their unique combination of skills, experiences, and competencies. This approach explodes opportunity for both employees and the organization.

A skills-based approach to work will give us the flexibility and agility we need to thrive in a world revolutionized by exponentially advancing technology, ever evolving trends, and shifts in global trade.

The skills question for SMBs and enterprises

"Both large and small enterprises need to think about skills with a goal-driven mindset," said Koreen Pagano, Head of Product at Degreed. "Focusing on what they want to achieve gives direction to their skills approach — and that drives bottom-line benefits."

All organizations want to hire or build the skills they need to keep up with a changing marketplace. When it comes to the challenge of working with skill data, organizations of all sizes share the same overall goals—they just face different challenges, because they're working on a smaller or larger scale.

A question of scale

"The baseline issues are relatively the same, just the scale is different," said Hanson. For example, SMBs may have a harder time hiring the skills they need due to their candidate pool being smaller, yet also have much fewer resources to devote to skill measurement, upskilling, and reskilling.

Enterprises struggles, by contrast, are often around scalability. Simply due to the sheer number of people they employ, creating skill inventory can feel like a never-ending effort, not to mention that if they fall behind, they are overall more impacted simply due to having more people in their workforce. On the other hand, they're also likely to have a larger financial cushion to fall back on.

Solutions at every size

Luckily, there are ways to address the skills question that work for every scale and budget.

There are plenty of accessible, low-cost ways to start working with skills. For example, simple peer- or self-assessment tools are handy to get a sense of your existing skill inventory. Try using sample skills lists— they're often available through your existing HCM vendors or websites. That way, you're not asking your employees to start from a blank slate, and you have some standardized terms to work with. Start with a small list of the skills that really matter to you. Once you know which skills you have, you can start reskilling for the ones you need using free resources like podcasts, books, or even YouTube videos! Be sure to give employees permission to take the time to consume these resources.

If your company is larger or has access to more resources to put into skills data, you can leverage AI-powered analytics to infer which skills your employees may have. These solutions work by mapping your job codes to market standards, and then listing the skills likely to be held by people in those positions. The result is a short, relevant list that employees and managers can validate against, greatly increasing the speed at which you can create a skills inventory and the likelihood of your employees responding.

When you're ready, there are other solutions designed to efficiently measure and upgrade the skills of large groups of people. Machine learning and AI-assisted solutions, like Degreed's learning platform, Emsi's skill library, and internal opportunity marketplaces like Fuel50's will help you gain visibility into and support your peoples' skill journeys.

For companies of all sizes, the key to effective skill strategy comes down to a goal-centric approach that aligns skills—both those they have and those they need—with specific outcomes, both for the business and for its people.

Refresher:
What is skill data?

Skill data is a measurement of what your people can do. More specifically, skill data is any datapoint that refers to the capability, demonstration, or definition of a skill.[5]

Skills are complex, so fittingly, there are many ways to measure and quantify them. Janice Burns, Chief Career Experience Officer at Degreed, compared skill data to health data in its breadth and complexity.

"Similarly to skill data, there's a wealth of ways to collect health data, from medical sources to wearables," she explained. "When choosing your metrics for health data, you start from what you want to achieve — losing weight will be tracked differently than rehabilitating a knee, for example. That same [complexity] applies to skills."

We can evaluate skills in a binary way, or in terms of skill levels. The first method would involve simply inventorying what skills your people possess—their "held skills"—without attempting to track their level of proficiency. Assessing skill levels, on the other hand, might use systems like rating your or a colleague's skill level on a numeric scale, or using activity data to assess their proficiency.

Skill level can be highly subjective, and a person's perceived level of skill can depend a lot on who's asking. This is why it's generally a good idea to evaluate your people's skills in multiple ways—for example, you may rate your own communication skills as a 7 out of 10, but what if your manager would only rate you 4.5, based on the communication skills they've actually seen you demonstrate?

We can group skills themselves into two categories: durable and perishable.

- **Durable skills** are those unlikely to be lost over time by the person holding them. Many 'soft skills,' like communication, fall into this category. If you're strong in a durable skill, that's likely to stay with you without your career, whether or not you invest time and energy into continuing to improve.

- **Perishable skills** are those that will be lost if they are not consistently maintained. These are often skills related to a specific medium or technology (such as skill with Python or Excel), or a rigorous set of rules that must be closely followed (like Foodsafe or First Aid).

[6] Skill Data Dictionary Part 1: The Basics. Degreed. blog.degreed.com/skill-data-dictionary-part-1-basics

Skill data exists to track both kinds of skills. It usually falls into four broad categories: user data, content data, activity data, and opportunity data.

- **Person data** is information on people and their experiences, pulled from resumes, LMS system profiles, Applicant Tracking Systems (ATS) and Human Capital Management (HCM) systems, or learning platforms like Degreed.

- **Content data** is the actual material people are using to learn, whether from data-driven learning platforms or external instructional content.

- **Activity data** refers to how people move through those learning materials, or other actions they took while gaining new skills. Examples would be course completions, logins, views, scores, and browser searches.

- **Opportunity data** is the other side of the skills gap — the skills that are needed internally for disrupted roles and new projects. Opportunity data is the foundation of an internal opportunity marketplace. [6]

Pulling data points from all of these sources can give companies an overall picture of what their people can do, as well as suggest likely directions in which their skills could be developed further.

However, in practice this is incredibly challenging, and most companies do not possess a wide range of skill data from all the below categories. Additionally, because skills evolve all the time, the below data quickly falls out of relevance unless organizations put processes in place to capture them—and validate the accuracy of the captured information.

[6]   Upskilling Your People: Getting Started with Skill Data. Degreed. blog.degreed.com/getting-started-with-skill-data/

Refresher: What is people analytics?

People are any organization's greatest asset—and its greatest expense. That means business decisions about hiring, managing, and investing in people need to be based on solid, reliable data.

Of course, most companies do have data on their people— in our digital-first world, almost everything workers do generates data of some kind. But just having it isn't enough. Teams must be able to use their data to make smart decisions without too much effort, time, or technical expertise.

That's what people analytics helps you accomplish, and why it's so powerful in combination with skill data. Suddenly, you're not just tracking skills—you're gaining information about the people who have them, from demographic and diversity information to their seniority within your organization.

Here's a few examples of questions you can answer with the combination of people analytics and skills data.

- What level of skill expertise does a particular employee or department have?

- How do employees rate themselves on a skill, compared to how their managers or peers rate them?

- Are my people acquiring, getting good at, and developing the right skills as the business grows?

- Are there any gaps between what skills exist in the organization and what the organization needs?

People analytics is all about knowing your people, and bringing in skill data helps you understand what they can do. That's why they're so powerful in combination.

How to get started with skill data

Often, the most intimidating part of working with skill data is just getting started. Quantifying all the skills of everyone within your organization seems like a Herculean task (or maybe a Sisyphean one, since skills are always changing).

Thankfully, we don't suggest you attempt that just yet. The key to a realistic skills strategy that actually generates value is all about targeting—figuring out what skills are tied to your most important business goals, and starting there.

Here's a few simple steps to getting started with skill data.

It takes skills to know skills

First of all, make sure your company has a framework in place to talk about skills effectively. You need to be using a common language, or talking about skills will be impossible—if one person said 'data' and another 'analytics,' they aren't going to get anywhere, even if they're referring to the same thing. That's where a skill library like Emsi's comes in, especially for larger organizations.[7]

Then, the team in charge of your skills initiative needs a baseline understanding of how to work with data. "HR and learning teams need a foundational understanding of skill data and how to use it," said Burns. Todd Tauber agrees. "If HR leaders cannot access or use skills data, they cannot effectively assess their workforce's skills, and the entire skills-based approach fails from the get-go," he said.

Whatever solution you use to tackle the skills challenge, don't worry—your people don't need to become data analysts overnight. A solid understanding of your skill data tool of choice is all you need to get started.

Define your why

Once your team is comfortable working with skill data, it's time to narrow your focus. What business objective are you trying to support?

"What is the fundamental business reason for measuring skills?" Burns asked. "For most organizations, this driver will be growth, whether in size, new markets, or new products and services." She suggests starting with that goal, then choosing a small number of roles that have the greatest impact on it. These roles are where you'll start with your reskilling and upskilling strategy.

Map skills to roles

"Hone in on a handful of roles that align with your business reason and will have the most impact, ideally in the shortest time," explained Burns. "Maybe you can start with growth roles or high-performing departments — even a horizontal role, like a manager or business analyst. Or perhaps you focus on important skills for new hires, going back to the basics."

Focusing on these few high-impact roles, you'll want to assess what skills they require now, and which new ones you expect them to require in the future. The difference between these two lists is your skills gap, and it's what will guide your efforts.

Be careful to keep things simple here. Avoid extraneous information, like skills that are non-critical or non-role specific. Otherwise, you'll be working with too much data, which makes it difficult to come up with meaningful insights that are easy to put into practice.

[7] Emsi Skills. Emsi. skills.emsidata.com

Measure and monitor

How exactly you measure and monitor peoples' skills will depend on the resources you have available. There are many ways to do this, at varying levels of sophistication.

"Skills can be measured in multiple ways, some more advanced than others," said Burns. "For instance, you can ask for peer or self-reviews where people rank their level of specific skills, or perhaps managers rank their team's skills. You can also infer skills from parsing profiles and resumes. Find what works best for your people, and make sure there's a common language for how you describe and rank your skills."

Peer- or self-reviews are one accessible way for people to assess their own skills and those of their colleagues. This is a low-barrier way to start measuring skills in your organization, but it can be time-consuming for your employees. Keep your lists short, and the level definitions clear to facilitate participation. To level up, machine learning can provide a higher level of understanding by connecting related skills together, allowing for better inferences and personalized growth recommendations.

Targeted strategy

"Having data on the skills your people currently have, and the skills your business strategy and future plans need, is foundational to anticipating and plugging skill gaps," said Danzl. "Companies that are able to do this are nearly twice as likely to succeed in their transformations."[8]

But there's no need for organizations to try and quantify everyone's skills at once—it's not realistic, productive, or a smart use of resources. Instead, by using business goals to guide skills development strategies, you can start working with skills in a way that's sustainable, high-impact, and low-stress.

[8] Unlocking success in digital transformations. McKinsey & Co. mckinsey.com/business-functions/organization/our-insights/unlocking-success-in-digital-transformations

What is upskilling and reskilling?

All this talk about skills is exciting—but in practice, what exactly does it look like for employees to upskill and reskill?

We all have experience with gaining new skills. But often, it's something that either happens organically (we may barely even notice our own skills progressing), or in a highly structured educational environment.

What is upskilling, what is reskilling, and what do they look like at work? Equally as important, how can companies know whether their skill-building efforts were successful?

Upskilling means to teach an employee additional skills. The goal could be to keep up with role disruption, expand the scope of their existing role, or accomplish their duties in a new way.

Reskilling is similar to upskilling, but involves retraining someone so that they can take on an entirely new role. In the workplace, reskilling might take place if someone's former role was rendered obsolete by technological disruption.

How to upskill

There are as many ways to approach upskilling as there are individual learning styles. Upskilling includes many forms of education we're already used to, such as self-directed online study, virtual courses through LMS systems, and of course books, podcasts, and video instruction.

It also includes more active ways of learning, where you jump right in and build skills as you use them in an applied way. These could include stretch gigs and projects at your organization, hands-on coaching and mentoring, or job shadowing in the workplace.

Skill adjacency: how to upskill effectively

But how do we know which people to upskill, and which new skills they might be best suited for? Increasingly, the answer is to look for skill adjacencies—people with skills and experiences that are similar and transferable to those an organization needs.

Skill adjacency is an important way to widen organizations' available talent pool, especially if they need highly specialized or unusual combinations of skills.

Gartner outlined skill adjacencies in a recent report. For example, if a company needed someone with skills in Natural Language Processing (NLP), they could try broadening their search to people who were competent in Python. They could even look for marketers with experience in social listening, another related field.[9]

If someone possesses skills that are adjacent to the ones you need, they can be upskilled much more effectively— and the process of closing a skills gap becomes much faster, from shorter times to finding a suitable candidate to quicker upskilling, training, and onboarding.

It isn't always obvious which skills are adjacent to one another. But recent innovations are using machine learning to group similar skills together to make adjacent skills more apparent. It's likely that as more and more organizations start looking to measure their skills gaps, skill adjacency will become central to reskilling strategy.

Measuring upskilling success

Often, organizations are concerned about how they'll know their upskilling efforts were successful. Those fears are justified—it takes time and energy to teach people new skills, and companies need to know that those resources were put to good use.

Self-reporting is often the only, or primary, way to indicate whether workers have acquired new skills. Reporting can be useful, but the best way to demonstrate a new skill is always to actually use it. This is referred to as 'skill activation' — taking on new gigs, assignments, projects or even entire new roles that make use of newly acquired skills.[10]

Of course, without careful measurement and monitoring, there's no way to actually track how people are acquiring and activating their skills. Next in this guide, we'll talk about how skill data together with people analytics can help organizations realize the impact of their reskilling efforts.

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[9] Trouble Finding Critical Skills? Widen Your View. Gartner. gartner.com/smarterwithgartner/trouble-finding-critical-skills-widen-your-view

[10] Degreed: The Upskilling Platform. Degreed. explore.degreed.com/product

Why people analytics and skill data?

There are no skills without people — to understand skills,
you need to understand the people who possess them. That's why it takes both people analytics *and* skill data to truly understand what skills your people have, what skills they need, and how you can close that gap.

People analytics allows you to map skill data onto demographics like age, gender, and ethnicity, or onto other crucial values such as compensation, career history, and who they report to, or to track skills by core metrics like turnover and engagement.

"People analytics makes skills data actionable and relevant to each individual," said Burns. "It can be used to guide people towards actions that drive growth." Instead of just knowing what skills you generally have in-house, you can track exactly where in your organization they're clustered, at what rate you're retaining and losing them, and how they interact with concerns like diversity, equity, and inclusion.

Without skill data, people analytics teams and the systems they rely on can **only know people by their job title** — again, an outdated mode of managing and hiring that doesn't give teams any information about what other opportunities their people might be well-suited for, or any actionable steps about how to get there.

It's simple—skill data and people data enrich one another. Skill data isn't particularly useful without details on the people who possess them, just as people data becomes more valuable when paired with information on the skills those people possess.

Planning for the future

As transformation keeps accelerating, companies will invest significant resources into upskilling and reskilling as they work to stay relevant. That takes skill and people data— without it, they're driving blind.

Companies need to base their strategies on data, and measure whether they're working. Skill data is the secret sauce that powers those reskilling efforts, but we need people analytics to put it into action, and use it to get actual business value.

It's only by using data to create a holistic picture of their people and what they can do that organizations can effectively plan to evolve and keep up with a changing labour market.

"If skill data is the fuel driving your workforce's advances, people analytics is the vehicle to get you there."

Janice Burns, Chief Career Experience Officer, Degreed

How to use people analytics for skills

People analytics gives you the detail and specificity you need to track how your reskilling and upskilling strategies are performing.

Combining people analytics and skill data

"The combination of HRIS and skills data will improve the way organizations manage and develop their talent," said Tauber. "HR leaders cannot make decisions on who to hire, who to upskill, and who to borrow from other businesses or departments, without data on supply and demand. HRIS and skill data gives the depth of insight needed to make these decisions."

People analytics allows you to use skill data in relation to questions around compensation, diversity, performance, retention and career journeys. For example, you'll be able to track whether the people you've reskilled are staying with your organization, or whether you're losing them—and the skills they worked hard to build—to turnover.

"It's all about that holistic picture of the talent," said Hanson. "What skills just left your four walls? What skills came in through talent acquisition?"

As we discussed, reskilling strategy is useful only if it's tied to specific measurable, and actionable goals. People analytics, in combination with skill data, is the only way to do this, by tracking the movements and performance of the people who possess those skills, and predicting where they might end up next.

Putting skill data into action

Here are a few ways the combination of people analytics and skill data can help you make sure you're on track to your reskilling goals.

- Assess whether your organization's skills are clustered around certain employees, and work proactively to make sure you retain them

- Look at your anticipated rate of turnover, then plan your reskilling efforts to make sure you maintain a baseline of skills

- Tie increases in compensation to reskilling efforts, or make sure highly skilled people are compensated well

- Plan upskilling to align with specific diversity goals, like moving more people of colour into upper management

- Predict new pathways and career journeys for people at your organizations based on their interests and skills

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Standardizing roles with skills

Job standardization is another important way that skill data and people analytics can complement each other—and through Visier's partnership with Emsi, it's included in our platform. For customers who take advantage of this feature, jobs will be enriched not just with standardized titles, but with the skills most commonly associated with that role in the external market.

Few organizations have time to consistently update the skills required for roles in real time, as they evolve. Instead, they only reassess which skills they need when it comes time to hire. Having access to a standardized list of skills associated with those roles gives HR teams a place to start when assessing which skills they have in house and which they'll need to acquire, providing a general basis for planning and comparisons.

People are skills, not titles

People, and the jobs they do, are much more complex than labels and titles. But until now, that was the only lens through which HR analytics solutions could understand them.

But today, the skills it takes to get work done are gaining and losing relevance faster than ever before. Shifting towards a new paradigm, in which we understand both people and their jobs as constantly changing collections of skills, is the only way to compete in this new environment.

That's why an intuitive or vague understanding of skills doesn't work anymore. Today, organizations need detailed data—not just on their people, but on what they can do.

Partner Spotlight

Visier and Emsi: Labour Market Insights and Skills Intelligence

See and understand your talent relative to the labour market in a single, unified view.

The need for more detailed data on job roles and skills was the driving force behind Emsi and Visier's partnership.[11] Now, Visier customers can use Emsi data to normalize their job roles and classifications, and tap into a standardized job hierarchy with Visier's 10+ million employee benchmark records. The partnership will offer customers both standardized job titles, and a standardized list of the skills most commonly associated with those roles.

The feature will make it much easier for organizations to understand their people within the context of the greater labor market, and get a big-picture view of how their skills inventory stacks up.

"The combination of Visier and Emsi has tremendous potential. This partnership will allow us to compare ourselves using a standard job structure and skills nomenclature," said Todd Horton, System Vice President, CommonSpirit Health. **"The game changer will be how it better helps us not only understand our people, but the roles they perform and the skills that they bring to the organization."**

See how your organization stacks up against competitors
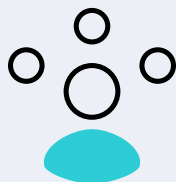
Make skills a common language between people looking for work and work looking for people
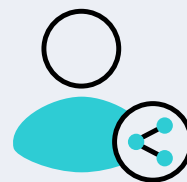
Get all the labour market and employee data you need in one unified view

[11] Visier and Emsi Partner to Create Unified Labor Market Insights for Business Leaders. Visier. visier.com/press-release/visier-emsi-labor-market-insight-partnership/

Skill data in action

Together with people analytics, skill data gives companies the information they need to create strong, agile workforces that can keep up with the demands of the marketplace.

These solutions, developed by three innovative companies—Fuel50, Skyhive, and Emsi, illustrate three different ways that organizations can tackle the skills challenge in a data-driven way.

Fuel50: Internal Opportunity Marketplace

Fuel50 helps employers get to know their peoples' skills, then connects them with opportunities that are well-suited to their strengths and goals.

By building skill profiles for employees, Fuel50 creates organizational 'skill inventories'—a big-picture snapshot of what their people can do. Then, the platform uses AI technology to match people with opportunities that require skills they either have, are adjacent to, or what to develop.

Skyhive: Quantum Labour Analysis

Skyhive uses people and skill data to help companies plan the future of their workforces in a data-driven way.

The company uses AI and real-time data aggregation to process millions of job titles, role descriptions, government datasets, and more. This way, they can track the changing relationships between jobs and the skills of the people doing them.

The idea is to help companies see what skills are growing or in demand in the market, as well as among their own people, arming them with the information that they need to understand skills gaps and plan reskilling strategy to close them.

Emsi: Labour Market Intelligence

Emsi uses skill data in a holistic, large-scale way. Their solution analyzes the overall labour market, and how it's changing, by establishing a common language around skills and roles.

With this shared language, companies, jobseekers, governments and educational institutions can talk about skills in a more clear and efficient way.

Skill data for a changing future

These three companies offer just a small sampling of what's possible with the combination of skill data and people analytics. People analytics allows skill data to be tracked and personalized to individuals in a very powerful way, helping leaders to move towards understanding people and their jobs for what they really are—unique combinations of skills that are much more flexible and adaptable than their job title might lead you to think.

With a data-driven understanding of their people and what they can do, organizations can understand what their peoples' skills are, how they're progressing, and how they align with both personal and organizational goals.

Spotlight

Retention and upskilling

Upskilling isn't just about helping organizations make the most of a changing labor market. In the new world of work, it will be non-negotiable if companies want to hang on to their people.

Workers are very aware that the workforce is changing—and if they don't see their employer changing along with it, they'll see no reason to stay. "I believe that workers will require more of their employers moving forward in delivering career and development support," said Danzl. "In fact, nearly half (46%) of workers around the world now say they are more likely to leave their employer if they don't see a commitment to upskilling and reskilling.[12]

This trend isn't just reflective of a changing labour market—it also represents a generational shift. The Baby Boomer generation is now between the ages of 50 and 75, meaning that any Boomers who haven't yet retired are planning to soon, maybe even sooner than expected in light of COVID-19.

Millennials are now the largest demographic within the workforce, soon to be accompanied by Generation Z. These age groups approach work differently—with a mindset of constant growth and opportunity-seeking. Unlike their parents, who looked for long-term commitment to a single employer, today's workers want to gain new skills and experiences, then move on. They won't accept workplace cultures that feel stagnant, or unwilling to prioritize growth and change.

Today's talent marketplace is also more competitive. Because workers aren't limited to companies geographically near them, there's less reason to stay in workplaces where they don't see a clear upward path. "The gradual move to more and more organizations accepting remote workers will allow talent to live nearly anywhere," explained Danzl. "This broadens the talent pool significantly. The result will be workers leaving organizations that don't value learning or provide those crucial growth opportunities."

Sergey Bukharov, Chief Solutions Officer at Skyhive, seeks upskilling as not only ethical, but good business sense. "It's much more effective to reskill a target population step-by-step, rather than having to restructure every couple of months when you realize you've fallen behind on the skills of the workforce," he said.[13]

In a landscape that demands constant growth, upskilling is mutually beneficial, helping both people and the organizations they work for adapt. By making a serious commitment to upskill their people, organizations can build strong, agile teams that they can rely on no matter how much the world transforms.

[12]   The State of Skills 2021: Endangered. Degreed. get.degreed.com/hubfs/State%20of%20Skills%20PDFs%20Dec%202020/The%20State%20of%20Skills_digital_111920.pdf

[13]   How 3 Organizations Solve the Skills Challenge with People Data. Visier. visier.com/clarity/how-3-organizations-solve-the-skills-challenge-with-people-data/

Skills and COVID-19

COVID-19 didn't start the current surge of interest in skills—but it certainly helped people understand their importance.

When COVID-19 hit, the workforce was already experiencing disruption, and those changes sped up dramatically. "Many organizations thought they had a few years to figure out skills, but COVID-19 brought upskilling to the C-Suite agenda, accelerated conversations around skills, upskilling and its impact on workforce agility and ability," said Danzl.

The rate of change was staggering, and sometimes frightening. In fact, in April 2020 United States unemployment levels reached 14.8% —the highest since data collection began in 1948.[14]

The disaster made business leaders wake up to the importance of organizational agility, and highlighted skills as a crucial piece of the puzzle. 80% of business leaders now see upskilling as important to their long term growth, compared to just 59% before the pandemic.[15]

Workers felt the shift, too — 6 in 10 shared that COVID-19 and its economic impacts accelerated their need to learn new skills.[16] "Individuals have also realized the value of upskilling and reskilling to perform their current roles better and remain employable in the wake of disruption," continues Danzl.

"Much feels out of our control these days, but one thing we as individuals can control is how we present ourselves to the working world, and what skills and capabilities we bring to the organization."

Now, both people and their companies know just how quickly things can change, and understand that if they don't keep gaining new skills, they won't be able to stay relevant and keep up with the market.

In fact, when many companies were forced to make serious cutbacks during COVID-19, they realized they didn't have the data to do so in a measured, strategic way.

It takes data, strategy, and planning for organizations to upskill in an impactful way — guesswork won't cut it when the future of peoples' careers, and of entire companies, is on the table.With skill data, organizations could have carefully prioritized how they restructured, ensuring that they kept the baseline level of skills they'd need to adapt.

However, for all its challenges the shift to remote work helped business leaders grasp the power of digital learning as an effective, scalable way to upskill large groups of people. "The pandemic greatly accelerated the movement towards digital learning, because most people suddenly switched to remote work," continues Danzl. "Companies and academic institutions could no longer provide forms of in-person learning, so they had to quickly adapt to digital forms of learning. It's made business leaders realize that they can effectively deliver learning through digital means."

Online learning is easily kept consistent, even when delivered to hundreds or thousands of people, and thanks to the combination of skill data and people analytics, its outcomes are much more easily measured and monitored.

We can't change the past, but we can take the lessons learned during COVID-19 and apply them as we move forward. The COVID-19 pandemic was a difficult time — for many of us, it was the most difficult time in living memory. But along with these hardships, it was also a time of great change. With a little flexibility and a willingness to change, we can use it to build an even stronger, more resilient workforce of tomorrow.

[14] Unemployment Rates During the COVID-19 Pandemic. CRS Report. sgp.fas.org/crs/misc/R46554.pdf

[15] Rethink capabilities to emerge stronger from COVID-19. McKinsey Accelerate. mckinsey.com/business-functions/mckinsey-accelerate/our-insights/rethink-capabilities-to-emerge-stronger-from-covid-19

[16] The State of Skills 2021: Endangered. Degreed. get.degreed.com/hubfs/State%20of%20Skills%20PDFs%20Dec%202020/The%20State%20of%20Skills_digital_111920.pdf

Spotlight

Skills as equalizer: diversity, equity, and inclusion

"Skills are objective things you can learn, measure, and improve," said Janice Burns of Degreed. "That's why I believe skills are the great equalizer, from a diversity and inclusion perspective."

Working with skill data helps organizations move towards a more nuanced, data-driven understanding of people and their roles. "When we look at peer referrals and pedigree only, implicit bias inevitably creeps in," continues Burns. If instead, decisions about hiring, promotion, and compensation are based on skill data, it becomes much easier to keep bias out of the equation.

Skill data is especially supportive of diversity, equity, and inclusion when coupled with people analytics. For example, companies could plan their upskilling in a way that helps them move minorities into spaces where they're under-represented, such as technical or leadership positions.

Reskilling and upskilling are powerful tools for organizations working towards diversity.[17] If organizations are willing to upskill people in order to fill a new role, they're both broadening their talent pool, and including those who experienced barriers to gaining those skills on their own.

That's why working towards diversity, equity, and inclusion isn't just about ethics—it also makes good business sense. "The benefits of improving diversity are well-known," agrees Janice Burns. "[They include] greater innovation, competitiveness, profitability, and more."

Intuitively, it's obvious that broadening the candidate pool would help organizations attract better talent, but the numbers are there to back it up. Companies who rank high in diversity tend to perform well financially, too. In fact, companies with excellent gender diversity were 21% more likely to have profits above industry average — and for those with good ethnic diversity, it was 33%.[18]

Skill data and people analytics can help us create a workforce where it's not who you know that matters, it's what you can do. Upskilling is a tool to help us get there, and make sure everyone has equal opportunity to thrive in the workplaces of tomorrow.

"When you have certain skills, it doesn't matter who you are and where you come from," said Burns. "The more that companies assess and hire people based on skills, the more opportunities they create for greater diversity within their own organizations."

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[17]   Diversity is the bridge on which we can cross the skills gap. World Economic Forum. weforum.org/agenda/2020/01/diversity-tech-skills-gap-4ir-digital-revolution/

[18]   Delivering through Diversity. McKinsey & Co. mckinsey.com/~/media/McKinsey/Business%20Functions/Organization/Our%20Insights/Delivering%20through%20diversity/Delivering-through-diversity_full-report.ashx

About Visier

Visier is a people analytics solution that makes it easy for HR leaders to transform their existing people data into meaningful analytics. Using hundreds of built-in graphs, data visualizations, questions, and answers, people leaders are able to gain insight into their organization, use data to tell the story of their people, and drive growth.

Move beyond outdated Excel spreadsheets, and make navigating complex HR data simple. With business intelligence tools built for HR, Visier drives growth and meaningful insight into an organization's biggest investment: their people.

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