

# Putting Your Skills Strategy into Action



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## Introduction.

Over the past year, the business world has remained focused on the rapidly evolving pandemic and its many disruptions. As we look forward, we now need to consider the broader scope of environments that can disrupt a business. In preparing for all possibilities, organizations are better set up to navigate any major change in operations. The pandemic has taught us that while we are resilient, we can also be better prepared to learn from the past. With fluctuations in both local and global economies, social equity movements, and impacts from climate change, leaders are figuring out new ways to plan for unpredictable future scenarios and build business models that allow for adaptability.

A key component of that plan is understanding the skills that already exist within the company and designing strategies to meet the needs of future growth and worker types. In a recent [McKinsey global study](#), 87 percent of executives said they were experiencing skills gaps in the workforce, or expected them within a few years. But fewer than half of respondents had a clear sense of how to address the problem.<sup>1</sup> Another 2021 [study](#) by Lighthouse Research & Advisory found that employees are generally confused about how to communicate their skills, with 6 in 10 workers saying they “have to figure out what skills matter on their own.”<sup>2</sup> Whether you’re the employer or employee, there is a lot of room for growth in building a skills strategy.

This eBook dives into real-life examples from practitioners at every stage of the maturity lifecycle. Whether you’re just starting to plan or you’ve been doing this for years, we share ideas on how Workday enables organizations of all sizes to create a skills-based strategy that puts organizational agility into action.



## Harness the potential of skills to meet business objectives.

The potential of skills to address complex business challenges is vast. Whether it's talent acquisition and retention, upskilling and reskilling, workforce planning, or a combination of these, skills provide a common language to understand worker capabilities today and workforce needs of the future.



As employers, we're going to need a really clear way to support and drive the continuous learning of staff because most jobs will soon change by 50%—and they will continue to change. People will need training every two or three years through very targeted learning programs lasting six to eight weeks. They'll need to upskill on technology and softer skills that machines aren't good at, such as empathy, innovation, and, particularly, collaboration.<sup>3</sup>

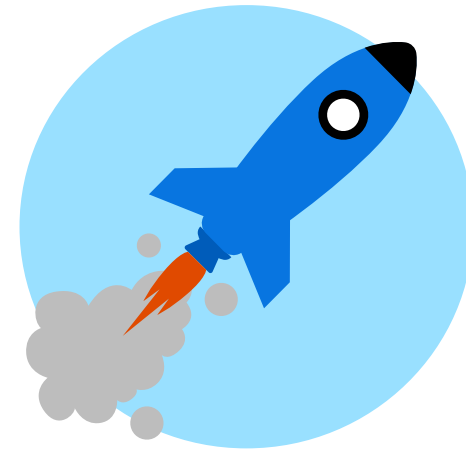
**Alex Badenoch**  
Group Executive of HR,  
Telstra Corporation Limited

### Common Business Objectives

Objective	Identify Top Talent for Critical Roles	Enable Workforce Mobility	Analyze and Close Skills Gaps	Increase Speed of Workforce Transformation
Outcome	Leveraging skills analysis allows organizations to focus on locating ideal candidates for critical roles, improving efficiencies in the hiring process, and creating diversity in the workplace.	Building talent from within reduces acquisition costs and the number of regrettable losses.	Understanding the current capabilities of the workforce allows organizations to build effective upskilling and reskilling programs, and increases opportunities for employees at risk of restructuring.	Accessing real-time aggregated insights across the business to make thoughtful decisions quickly and increase the speed of workforce transformation.

## Understand the gap between vision and reality.

For many organizations, there is often a gap between their vision for skills and the reality of their current skills strategy. After talking with many customers, Workday developed a skills maturity curve to assess the skills maturity of your organization, and the steps you can take to move toward where you want to be.



### Skills Maturity Curve

	Objective	Singular	Relational	Transformational
<b>Outcome</b>		Ownership of skills strategy resides in a single business unit—often Learning and Development or Talent Acquisition. Strategy is focused on meeting the needs of that specific area.	Ownership begins to expand to cross-functional teams, and the organization starts to see cross-functional alignment with a handful of business units.	Skills strategy becomes its own function and is focused on proactive talent management. Often, there are centers of practice within each business unit to support the management skills at the functional or technical level.
<b>Technology</b>		Technology stack often has a variety of niche applications. There is a desire for a single data model to provide a cohesive employee UI and machine learning experience.	Begin to evaluate the technology landscape to determine which applications best fit together to provide a common skills data model and cohesive employee experience. Still a preference for niche solutions and possible difficulty attaining a cohesive data model.	Technology landscape becomes unified with emphasis on a common skills data model and selective group of applications to enable the skills strategy.
<b>Culture</b>		Traditional culture where work is done in hierarchical teams. Starting to see interest in talent mobility initiatives while still maintaining traditional structure.	Culture begins to shift from a traditional work environment to one that is better suited to collaboration and the overall needs of the business.	Change-forward culture that embraces agile ways of working. Common for employees to participate in cross-functional teams, high value placed on learning and sharing knowledge across the business, and broad adoption of internal talent mobility strategies.

## Mapping a successful skills strategy.

Developing and executing on a skills strategy is a journey that takes time. Once you know where you are on the maturity curve, you can take steps to lay the groundwork for mapping a successful skills strategy. These building blocks include:

### 1 Defining key characteristics for the future skills environment.

This means getting cross-functional alignment on the key elements to successfully enable skills and create the necessary environment to support this skills-based talent approach.

### 2 Designing guiding principles to structure skills-related decisions.

This supports ongoing alignment to help projects and practitioners make decisions that are consistent with the key elements and characteristics that the organization has set for the future of skills.

### 3 Highlighting operational impacts to support skills.

Understanding and planning for these impacts enables the organization to take a more holistic approach, as opposed to a technology-only solution. It also accounts for the necessary changes across the dimensions of people, process, data, and technology.

### 4 Leveraging personas to help bring these ideas to life.

The focus is to define how skills support each persona, while also incorporating who interfaces with skills in enabling the persona—for example, the manager or HR. This activity gives us a truer sense of how skills are used in different ways by different roles and across different functions to drive business and individual value.



# Put your skills strategy into action.

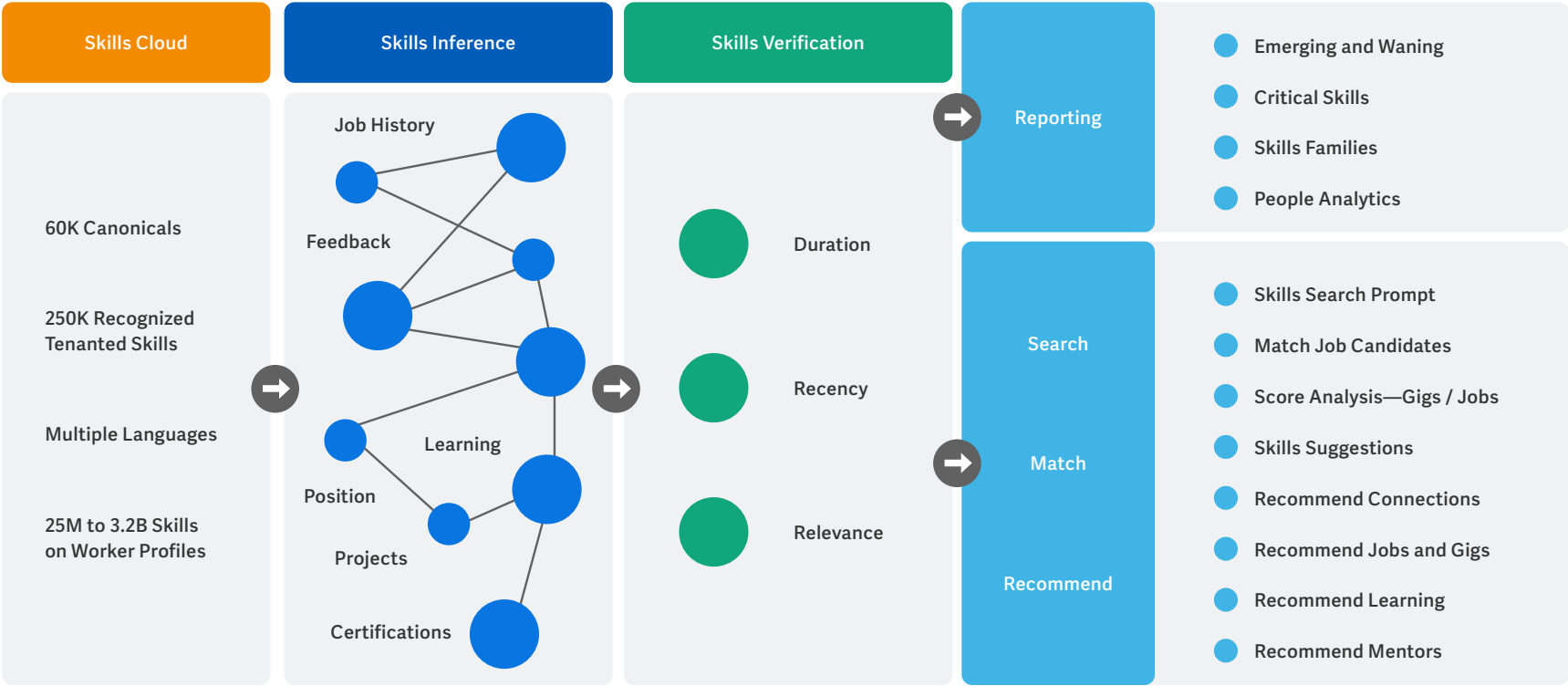
As you define your skills strategy, it is helpful to understand the role Workday plays. Workday customers benefit from a skills platform that is a single source of truth and incorporates machine learning, connected applications, and insights that inform actions.



**Single source of truth.**

The skills platform provides a cohesive data model in what we call the skills cloud. It helps to break down key blockers and process large amounts of data into consumable, actionable formats.

- **Ontology:** How do I manage millions of skills and skills variants? How can I include third-party sources for skills?
- **Inference:** How do I understand skills information about employees when they don't enter it into the system?
- **Verifications / Leveling:** How do I know someone truly has a skill and their skill level/strength?





## Machine learning.

Let the model do the work for you. Machine learning for skills at Workday looks at plain text across the platform to infer skills. This analysis can include information such as position history, job history, job requisition text fields, feedback, project history, certifications, candidate resumes, learning content titles and descriptions, gig titles, and descriptions. It also looks at explicitly listed skills in the worker profile, skills interests, gigs, and learning content. All of this together provides suggested skills, calculations on skills validation and match strength in Workday Talent Marketplace, and analysis.

To take it one level further, here are some examples of how machine learning supports a skills-based strategy:

- Suggested skills for candidates based on resume parsing
- Surface content in Workday Learning based on skills workers would like to develop
- Match workers to Workday Talent Marketplace jobs and gigs based on skills strengths
- Identify workers for projects based on skills strengths
- Suggest skills for Workday Learning admins to add to content
- Suggest mentors and networking opportunities based on skills matching in career hub

## Connected applications.

It should come as no surprise that the more systems that talk to each other, the more powerful the insights. Workday customers have the ability to pair applications such as core Workday Human Capital Management (HCM), Workday Recruiting, Workday Learning, Workday Talent and Performance, Workday Talent Marketplace, career hub, Workday Journeys, and Workday People Analytics together to create a complete skills picture and strategy. A key benefit is that, while all of these pieces can be linked together, they are not required in order to get started on the skills progression model and can be mixed, matched, or added on at any point in the skills strategy lifecycle.

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Previously, we couldn't match the internal demand for talent with the internal supply of skills, but now we have Workday Talent Marketplace. With the COVID-19 lockdown in Europe, it's proven very helpful to advertise gigs there, and we can match people easily. We have seen a small uptick in gigs and we are definitely happy with that.

**Vivienne Talbot**  
HRIS & HR Transformation Director,  
Ferring International Center



## Data and analytics.

We wouldn't be a technology platform without providing deep learnings and insights into what is working with your strategy, as well as areas for improvement. With Workday HCM, custom reports and dashboards can be built to better understand the current landscape within your organization.

- Examples include:
  - Skills inventory
  - Recently acquired skills
  - Recently lost skills and causes (attrition, internal transfers, and so on)
  - Relevancy of skills compared to job profiles
  - Total number of skills assigned to a worker
- If Workday People Analytics is enabled, insights into your skills strategy are surfaced without lifting a finger. Dashboards are pre-populated with information that makes it easy to quickly drill in and analyze core areas. Insights include:
  - Skills gaps
  - Skills categories
  - Skills match
  - Skills in demand

**Note:** To better understand the suite of Workday employee analytics and what they do, read this [eBook](#).

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Workday made it much easier for team leaders to work out whether they had the right complement of skills and staff, and whether their budget could accommodate the team's total remuneration.

**Alison Tweedale**  
Head of Transformation,  
Genesis Specialist Care Pty. Ltd.



## Build your skills foundation.

Now that we've covered how Workday is set up, let's explore how to put these ideas into action.

### Step 1.

Establish a skills governance model. Mature organizations often have a federated governance model where there is a dedicated team responsible for the development and execution of an organization-wide skills strategy. The business units are responsible for defining the current and future skills to meet their needs, giving them the agility to respond quickly to changing needs. These groups often come together as a coalition to share best practices and ensure alignment of the skills strategy across the organization.

### Step 2.

Understand your workforce today. The skills cloud feature in Workday and machine learning algorithms provide you with a baseline of skills within your organization.

- Turn on skills cloud—included with Workday HCM—in your tenant. When you turn on skills cloud, Workday algorithms will parse your job and worker data to infer skills.
- Use the delivered Workday HCM skills dashboard to review inferred skills and identify the current skills within your organization. This gives you a starting point for current and future needs.



### Step 3.

Identify business-critical skills for today and the future. It is easy to get overwhelmed with the volume of skills workers have, but there is often a subgroup of critical skills required to meet business objectives.

- Consider labor market data to help identify future skills for relevant job functions.
- Share the inferred skills and labor market data with the business units and facilitate conversations to determine current and future critical skills.
- Update your job profiles or job requisition data with business-critical skills.
- Review the skills dashboard to understand how worker skills align with critical skills and help identify gaps. The dashboard is delivered in real time, allowing you to monitor your progress toward your strategic goals.

### Step 4.

Design a communications strategy to help workers and managers understand the role of skills within your organization, and the benefits skills provide employees. Mature organizations often have robust communications plans that define the worker and manager benefits, such as internal mobility or upskilling opportunities. These communications often include Workday campaigns and are designed as a long-term conversation with your workforce to ensure alignment.

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We want more. We want to look at trends—what is happening in the department, the market, and the rest of the world. Based on this, we can get insights into how many people and what kinds of skills we will need in the future. It may be that we are weaker in certain competencies in China than we are in Slovakia where there is an abundance of talent in a particular area. With the right insights, we can very quickly hone in on these gaps and plan accordingly.

**Bas Eggelaar**  
Group HR Business Partner,  
Inalfa Roof Systems Group

## Step 5.

Bring it all together, and continue to build upon your foundation by exploring what's possible with Workday. Read on to learn some additional ways customers have enabled their skills strategy with Workday products.

- **Career hub:** The career hub in Workday is a machine-learning-driven career coach that brings together Workday Talent Marketplace, Workday Learning, and the Workday skills platform into a single experience to empower employees to take ownership in their career development.

Employees receive suggestions for networking and mentorship opportunities, gig and internal job matches, and Workday Learning content based on skills-matching algorithms. Employees can also explore the skills in demand across the organization and take steps to develop those skills.

- **Workday Talent Marketplace:** Workday Talent Marketplace creates transparency and connects employees to opportunities based on the skills they have or want to develop, allowing them to take an active role in their career development.

Similar to career hub, employees receive suggestions for gigs and internal jobs based on skills matching, and can review the skills-match analysis to see how well they are matched to these opportunities. Gig owners can view skills-match analysis for gig applicants, helping them to select the right people for their gig.

- **Workday Recruiting:** Workday Recruiting is an end-to-end talent acquisition application that helps you find, share, engage, and select the best internal and external candidates for your organization

Candidates' resumes are automatically parsed to suggest skills for the candidates to add to their application. Recruiters are presented with candidate-matching scores, allowing them to quickly find the top talent for each job requisition.

“

Workday has come along at such a great time because it allows our employees, through one or two clicks, to go into the system and identify which skills they have, and which skills they aspire to build over time. The system then links into our learning system, allowing people to access courses—online, digital, or classroom courses—that they can register for with the click of a button. That's how Workday is helping us overcome our skills challenge.

**Karen Collins**  
Chief Talent Officer,  
Bank of Montreal

- **Workday Learning:** Workday Learning is an enterprise learning management system that empowers organizations to deliver an employee-centric experience that transforms business outcomes by delivering learning in a consumer-like social environment.

Learners receive machine-learning-recommended content based on skills. Content recommendations are surfaced within Workday Learning, career hub, and Workday Talent Marketplace.

- **Workday Journeys:** Workday Journeys enables organizations to build tailored, concierge-style experiences for employees to help guide them through the moments that matter most.

Workday Journeys can be used to guide employees through the organization's skills strategy in an easy-to-consume flow. Content can help employees understand the value of skills, learn how to manage their personal skills profile, and see growth opportunities.

- **Workday Prism Analytics:** With Workday Prism Analytics, finance and HR now have a data hub built right into the system of record, bringing together the data they need while maintaining fidelity, providing access to decision-makers without compromising security, and supplying intuitive tools that make insights from disparate data sources easier to generate and consume.

Workday skills data can be combined with external skills source data, such as labor market trends, to provide insights into skills coverage across the organization and support your team in making informed workforce planning decisions.

- **Workday People Analytics:** Workday People Analytics enables organizations to make better people decisions faster with augmented analytics—helping you tackle three of the most pressing data-related challenges faced by HR: prioritization, data literacy, and scalability.

The skills insights feature uses augmented analytics to surface trends and business questions to provide insight into the skills supply across the organization, and identify opportunities to develop skills in areas that have critical skills shortages.

“

With remote working with agile tools, such as robotic process automation (RPA), we have been able to redeploy quite a lot of our support staff and retrain them. And there's been much enthusiasm to learn these new skills and these new roles in the shared service centre.

**Stuart Collins**  
CFO,  
BDO Services Limited

## Conclusion.

Building a skills-based strategy is not a new topic for hiring leaders. The missing link has been how to get started and where to begin. With the skills cloud in Workday, customers have already begun their journey to success, and have set a framework for others to follow. Let us partner with you on your journey to building a more adaptable workforce that meets the needs of your current and future business models.

[Explore how skills cloud can be an asset to your business outcomes by scheduling time with our team of experts.](#)



## Endnotes

<sup>1</sup>McKinsey & Company, “Beyond hiring: How companies are reskilling to address talent gaps”; 2020  
<https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/beyond-hiring-how-companies-are-reskilling-to-address-talent-gaps>

<sup>2</sup>Lighthouse Research & Advisory, “These are the Learning Technology and L&D Skill Gaps that Exist [New Research]”; 2021;  
<https://lhra.io/blog/these-are-the-learning-technology-and-l-d-skill-gaps-that-exist-new-research/>

<sup>3</sup>Workday, “The Skills Movement: Building a Sustainable and Equitable Future for Global Workers”; Ghadeer Redler; 2021;  
<https://blog.workday.com/en-us/2021/skills-movement-building-sustainable-equitable-future-global-workers.html>



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