



**How to build an agile workforce
with a skills-driven approach**

Why organizations can't hire their way out of a skills deficit

It's not uncommon for significant market disruptions to immediately impact talent strategies — organizations must react with cost-saving measures. Most talent professionals are familiar with instating hiring slowdowns or considering layoffs to prepare for an economic downturn. Anyone who has been a part of these tough decisions understands the skills and experiences organizations risk losing — and how costly it would be to rehire and rebuild in the future.

This need for preparedness calls for a shift from reactivity to proactivity and a reinstated focus on sourcing quality external and internal candidates. Making decisions based on quality requires organizations to understand the “right” set of skills needed to succeed in a role and push innovation forward. It also requires organizations to assess their skill advantages and deficits so they can devise programs for upskilling and internal mobility at scale.

It's not only existing skills at risk. Consider how jobs and responsibilities are evolving in response to technological advancements, shifting consumer demands, and policy changes. According to Eightfold Talent Insights findings, 68 percent of the most common [oil and gas](#) roles are stable or trending downward regarding their skill future-readiness. For example, a drilling engineer, a highly prevalent role in the industry, is declining in demand. On the other hand, chemical and mechanical engineers are rising.

When it comes to [telecommunications](#) technician roles, 33 percent of the top network engineering and operations roles are not yet equipped with future skills to address trending innovations, including building 5G capabilities.

On top of evolving business strategies, market volatility, and emerging technologies, labor markets are persistently tight, with nearly [two job openings](#) for every unemployed individual today. Even with an award-winning talent acquisition strategy, external recruiting wouldn't close essential skill gaps, highlighting the urgent need to prioritize upskilling within the existing workforce.



29%

of respondents said their country lacks people with the skills needed to perform their job.

— PwC's Global Workforce Hopes and Fears Survey 2022

To meet the skill demands of the modern workforce, HR teams need a better way to engage and upskill their talent while discovering new talent with the right skills for today and tomorrow. This involves shifting from a reactive to a proactive talent strategy that provides real-time insights into the skills of an organization's workforce, competitors' workforces, and the overall market, so organizations can guide employees toward the right mentorship, courses, and cross-functional projects to launch their development.

The most successful organizations will be agile enough to pivot to any societal disruption or market changes. Focusing on skills inside the organization and broadening recruiting efforts to account for skills and potential will be a large part of their success.

Replacing an employee can cost one-half to two times their annual salary.

— This Fixable Problem Costs U.S. Businesses \$1 Trillion, Gallup

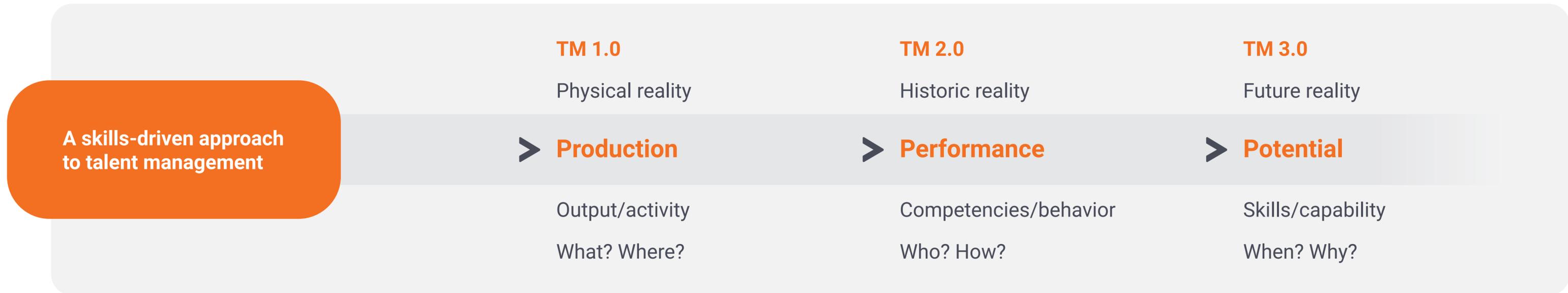


Talent management 3.0

Given the need to focus on retaining highly skilled employees, it's time for proactive talent management to shine. Talent management, the method of developing and managing employees, has seen several distinct phases, dating back to the assembly line at the start of the 20th century. The overarching focus a hundred years ago was on productivity, how quickly and efficiently workers produced results.

Decades later, the focus turned to performance as more knowledge workers entered the workforce. This new phase – **talent management 2.0** – focused on competencies and behavior. Performance evaluations and promotions centered around who the top performers were and how well others performed compared to the top employees. But this was backward-looking and reactive – and didn't account for any skills the organization would need in the future, or if the current top performers would meet future needs.

Talent management 3.0 is a proactive, skills-driven approach that uses a real-time understanding of skills and potential to inform talent decisions today and tomorrow. It gives talent leaders the tools to find answers to questions like, "What skills do we need now and in the future?" and "How do we map future skill needs to business objectives?" This dynamic approach builds flexibility into workforce planning to allow for quick adjustments in the face of disruption.



What are skills?

A skill is a measure of what someone can do broken down to its most granular level.

- **Skills can be “hard,” or related to a job function, and “soft,” or related to human capabilities**

[Example: A software sales account executive knows hard skills, including product demonstrations and Salesforce, and soft skills, including negotiation and persuasion.]

- **Skills are not tied to a specific job or company, and are therefore transferable across jobs and industries**

[Example: Their negotiation skills can transfer to a sales position with a different software company, help them expand beyond software into medical devices sales, or even enable them to explore a career in real estate or procurement.]

- **Skills require training or practice to acquire and maintain**

[Example: The professional may need to take a course or join a project to learn about risk management to be successful in a different role.]

- **Skills are the best measure of career progression, and skills adjacencies can predict potential, or what someone is capable of doing in the future**

[Example: Rather than make lateral and upward promotion decisions based on tenure or social connections, organizations can validate preparedness through skills portfolio.]

A skills-driven approach

Focusing on someone’s skills isn’t a new concept. Competency models and skill taxonomies have been the go-to for quantifying individuals’ abilities and performance levels for years.

However, static skill taxonomies are too manual to build any successful talent strategy around. By the time a consulting firm finished the painstaking work of defining different roles and their skill requirements, jobs had already changed to the point where the competency models were no longer valid.

While it’s widely [accepted](#) that the half-life of a skill is about five years, more recent [research](#) puts the half-life of some technical skills closer to two and a half years. As technological developments accelerate, so will the skills life cycle to support technical roles. There will need to be a more intuitive way to dynamically track and measure skills.

The difference today is that deep-learning AI is available for organizations to gain real-time insights into the skills and potential of internal and external talent. If skills measure someone’s capabilities, then potential is a measure of what someone could do based on what they’ve done. Deep-learning AI analyzes billions of global talent data points to determine employees’ and candidates’ skills and potential with incredible accuracy, enabling a real-time view of internal and external talents’ skills.

Organizations can build current skills and future capabilities into outcomes-driven workforce planning models with this new approach. Rather than focus on assigning one person to handle all responsibilities listed in a traditional job description, which are often too narrowly defined and vulnerable to change, organizations can reimagine how work gets done. The new approach allows organizations to disperse responsibilities based on the skill requirements and use the most potent mix of existing or new talent to drive that value.



The secret to lowering turnover and costs

Not only does this dynamic, skills-driven approach to talent management help organizations transform their overall talent strategy, but it also drastically improves employee satisfaction. In [Eightfold AI's 2022 Talent Survey](#), nearly 1,000 full- and part-time employees revealed what they valued most from their employers: 70 percent said promotion opportunities, followed by 69 percent who cited a transparent career-development process.

According to [Deloitte](#), the confluence of a lack of growth opportunities, poor employee experience, and outdated HR tech stacks contributes to three out of every four voluntary departures. With increased access, adoption, and speed of deep-learning AI platforms, organizations have been able to “transition from automation to augmentation” in their efforts to attract, develop, and keep talent. For the employee experience, organizations can expose their employees to skills-driven career pathing at scale.

With deep-learning AI, employees can see exactly which skills they need for open roles and how their talent profile matches those skill requirements. They can then take relevant training or find mentorships or internal work opportunities with other departments that help them acquire those missing skills.

Instead of proximity or social connections, success becomes a matter of what someone can do. And if employees have everything they need to drive ownership of their careers (transparency, training, and opportunity), the temptation to look to other organizations for opportunities lessens. All these factors help shrink turnover and boost employee satisfaction while enabling organizations to foster and retain the right skills.

77% of business executives agree their organization should help their workers become more employable with relevant skills,

but only **5%** strongly agree they are investing enough in helping people learn new skills to keep up with the changing world of work.

— [The skills-based organization: A new operating model for work and the workforce](#), Sue Cantrell et al.

A skills-driven approach for talent managers



When talent managers can see the skills of their team in real-time, they can overcome current or anticipated skills gaps with any combination of upskilling, reskilling, or hiring. With deep-learning AI, talent leaders can quickly identify available contingent workers with the right skills and experiences to redeploy workers to new projects and even hire them for full-time roles.

Organizations can also apply this approach to succession planning. Instead of making workforce decisions based on who knows whom or who's worked for whom, succession planning becomes based on who can do the job best. This drastically improves diversity and the overall efficacy of succession planning as social connections no longer trump merit.

Prudential's internal mobility rate increased from 38% to 54% since bringing on Eightfold

Challenges for talent managers

- > Employees look elsewhere for opportunities because they don't know what options exist in your organization
- > Promotions can be biased and based on social connections instead of skills
- > Employees are left to navigate the workplace on their own to find mentors, which can lead to a disadvantage for minorities or those who aren't as socially connected, like remote workers
- > Deserving employees can be overlooked during succession planning
- > Talent could be laid off when there are multiple internal jobs available that employees could be reskilled or upskilled for
- > HR teams don't know how their organizations' skills stack up against competitors or what skills gaps exist
- > Employees don't know where to go to determine the skills they will need in the future or how to build them
- > Managers "hoard" talent, which can lead to career stagnation and lack of innovation

With a skills-driven approach

- > Employees are matched to internal roles based on their skills, potential, and interests. Everyone has an equal chance based on what they can do
- > Mentors are assigned based on interests and potential
- > Talent managers can evaluate their workforce in real-time to understand their workforce capacity and augment it based on market forces and trends
- > Employees can own their careers by identifying new opportunities within their organizations
- > Talent managers can leverage insights about their existing workforce to make critical decisions about internal employee moves
- > Organizations can see exactly how they stack up against competitors and which skill gaps exist, then tap into their talent pool of existing employees, silver medalists, and contingent workers to overcome those gaps

A skills-driven approach for recruiters



With a dynamic talent strategy focused on skills and potential, recruiters can find the right talent without entering costly bidding wars. First, recruiters partner with hiring managers to define ideal candidates by breaking down jobs into must-have current skills – and identifying next-level future skills. By redefining what success looks like for a role, recruiters can revisit talent pools within the database through a skills-based lens. This builds pipelines with qualified hidden talent, including employees, contingent workers, previous applicants, and even company alumni.

Deep-learning AI ranks strong matches first, revealing what candidates can do and **what they're likely to be able to do based on what they've done**. Recruiters can reduce the time to hire by nurturing candidates they are confident could succeed in the role and are likely to express interest in the role based on recommendations from AI.

Challenges for recruiters

- > Résumés are static, and can be both misleading and unrepresentative of what a candidate can do
- > Poor user experiences on career sites lead to huge drop-off rates, leaving top talent on the table
- > Organizations can spend huge portions of their sourcing budget on external recruiting services, including job boards and agencies, which can yield mixed results
- > Recruiters have to manually review résumés that the ATS flagged as relevant
- > Administrative work, like scheduling and outreach, can end up taking up huge chunks of time
- > Interviews can be subjective and unreliable

With a skills-driven approach

- > Recruiters can widen the pool of top candidates by expanding the criteria of what makes a role successful and bypassing traditional constraints, such as degrees and professional experiences, by focusing on what someone can do and their potential, rather than just what they've done
- > Candidates are ranked based on compatibility for the role, with strong matches ranking the highest based on their skills and potential
- > Organizations can focus on candidates who are interested in their business and start job searches with prebuilt pipelines of internal talent, past applicants, company alumni, referrals, and contingent hires
- > Recruiters can increase interview efficacy by validating skills the AI listed as present or missing

A skills-driven approach for candidates



Personalized career sites powered by AI show candidates exactly how well they match available job listings. The AI matches these candidates based on their skills and potential, helping them discover opportunities they may have never considered.

Furthermore, explainable AI enhances candidate confidence by highlighting their relevant skills and helps them understand why they are qualified for specific roles, encouraging more qualified candidates to apply. This is especially important for women, who historically [undersell their qualifications](#) compared to their male peers.

Challenges for candidates

- > Candidates aren't sure which roles they're qualified for and why
- > Candidates can feel confused or deflated about not being hired for a role when they thought they were a good fit
- > Minority groups tend to under represent their qualifications and can disqualify themselves from jobs without applying

With a skills-driven approach

- > Candidates see exactly which jobs they're qualified for based on what they can do, boosting confidence and application rates
- > Candidates are matched with jobs they may have never considered, helping them find the right role for their interests and skills
- > Deep-learning AI surfaces skills, adjacent skills, and potential to drive equity and equality for all candidates

At Activision, **47%** of all new hires are made through talent rediscovery

Diversity, equity, inclusion, and belonging



Diversity and inclusion have been top-of-mind for organizations for years, yet most have yet to make significant progress, despite actions taken. With a skills-driven approach, organizations can effectively drive equity and equality for all employees by expanding traditional definitions of role success. With skills as a common language, hiring and talent management decisions are made based on the sum of an individual's experiences and potential instead of relying on education, professional pedigree, or social connections.

AI can anonymize résumés and help connect employed members of historically marginalized communities with mentors, projects, and new opportunities. In addition, AI-powered dashboards can help talent managers understand diversity information across the entire talent lifecycle to create true accountability at the corporate and individual levels.

Challenges for DEIB programs

- > Promotions, hiring, and internal opportunities can be unconsciously or consciously biased
- > Many women and minority candidates hold back from applying if they don't meet all the qualifications for a position
- > Minorities are commonly underrepresented in leadership positions
- > Minorities are often overlooked for succession planning
- > Organizations lack the data to measure the success of their diversity initiatives

With a skills-driven approach

- > Hiring and talent management become based on the sum of a person's experiences and potential instead of their education, professional pedigree, or social connections
- > AI can match employees with mentors, projects, and new jobs
- > Candidates can be anonymized during hiring
- > Succession planning is based on what someone can do instead of who they know
- > Data insights provide complete diversity information across the hiring funnel, creating true accountability at the corporate and individual levels.

Vodafone saw 144% more women applying within the first three months of using the Eightfold Personalized Career Site

Maximize your existing talent

Let's look at an example of how HR can take the lead in supporting a critical business unit with a skills-driven approach.



Clara, the CHRO of a technology company, understands her organization's shortage of data scientists is slowing down progress in key business areas. Clara meets with Victor, the VP of talent management, to understand the skill gaps across the company. They talk with business partners, including the head of data science, to understand the role and study the rise and fall of specific skills in the market.



Victor and Clara calibrate the data scientist role for ideal candidates, filtering by skills, experience, proficiency levels, and industry background. They need data scientists with Python, R, and machine learning skills. They analyze adjacent skills already present across the team, looking at how many developers already know C++ and algorithms to more easily grasp machine learning and how many developers know R in data structures to learn Python. As it turns out, the company has over 100 employees with adjacent skills and the potential to upskill and redeploy into new roles.



Elena, a quality engineer, sees a career recommendation to pursue data science in Eightfold's career hub. This recommendation matches the personalized development plan she jointly developed with her manager based on her skills, interests, and potential. She's assigned a mentor and completes the required assignments. In three months, Elena is qualified to start the data scientist role and is delighted with the ease of the transition.



Clara, the CHRO, updates the leadership team. In one quarter, her team has been able to upskill 15 new data scientists while hiring another five. With this dynamic, skills-driven approach, the organization met its goal, far exceeding the standard time to hire while lowering the cost of external sourcing.



Chevron builds a unified talent strategy using Eightfold AI

> Challenge

Chevron wanted to better understand the skills of its candidates and employees, but it lacked a scalable and reliable way of measuring skills. In the past, Chevron relied on complex, manual competency assessments that lacked flexibility. Chevron also needed to acquire new skills for its New Energies team – an internal department built for the modern energy transition.

> Solution

Chevron first implemented Eightfold AI's Talent Intelligence Platform on its careers site to better understand its candidates and boost application rates. Eightfold's deep-learning AI also helped widen the talent pool so recruiters could explore any combination of internal or external talent, including contingent workers, silver medalists, and company alumni. Employees gained an effective way to take ownership of their careers. A personalized career hub shows them exactly what skills they need for new roles, the required training, and surfaces opportunities and mentors.

> Results

Chevron increased the application conversion rate on its careers site, and recruiters drastically reduced the time to hire. Chevron gave employees more career ownership and built a unified talent strategy using skills as a currency.

"The power of Eightfold is that you get to understand skills in a dynamic and real-time way," said Luis Niño, Digital Portfolio Director at Chevron. "This solution has allowed our team to focus on higher-value activities and to make sure that they are optimizing time to identify talent and match it to opportunities."

"Even though we've had this concept of skills forever ... we now have the technology to really scale this and drive data-driven, informed decisions."

– Luis Niño, Digital Portfolio Director, Chevron

[Read the Full Story](#)



DICK'S Sporting Goods elevates team members with upskilling

> Challenge

Customers and stakeholders have increasingly high expectations of brands, especially when it comes to diversity. DICK'S wanted to equip its store leaders to meet and exceed these expectations. To accomplish its diversity goals, DICK'S wanted to define the skills needed for key leadership roles throughout its stores and equip employees with personalized training paths to gain these skills and propel their careers.

> Solution

DICK'S interviewed high-performing managers and loaded all its HR data into Eightfold AI's deep-learning platform. DICK'S identified which skills were rising and declining and built robust talent profiles for each key managerial role. Employees could see where they stood against the benchmark for each position and understand which skills were required to take the next step in their careers. Employees received curated development opportunities, mentorships, and projects that fit each of the competencies they were missing.

> Results

Employees felt incredibly valued by DICK'S Sporting Goods. They were able to gain new skills that aligned with the company's business strategy while taking ownership of their careers.

"As soon as they logged in, each leader across all of our skills and competencies in each of those categories could see how they stood against a benchmark so that they knew immediately where they could grow and develop their career."

– Brad Cohen, Manager of HR Technology, DICK'S Sporting Goods

[Watch the Full Story](#)



 eightfold.ai

Transform your talent strategy with Eightfold AI

Eightfold AI's Talent Intelligence Platform uses deep-learning AI to help organizations make better decisions throughout the entire talent life cycle. By analyzing billions of global talent data points about workers — their skills, potential, experiences, career paths, performance, demographics, learning needs, and more — Eightfold helps organizations match top talent to the right opportunities, empowering a skills-driven, dynamic approach to talent.

Ready to take the next step in building a skills-based workforce?
Request a demo today.

[Request Demo](#)

About Eightfold AI

Eightfold AI's market-leading Talent Intelligence Platform™ helps organizations retain top performers, upskill and reskill their workforce, recruit talent efficiently, and reach diversity goals. Eightfold's patented deep learning artificial intelligence platform is available in more than 155 countries and 24 languages, enabling cutting-edge enterprises to transform their talent into a competitive advantage. For more information, visit www.eightfold.ai.