

Skill-based organizations – a galaxy not so far far away

4th of October 2022

A business of Marsh McLennan

Episode 1: Why we talk about skills



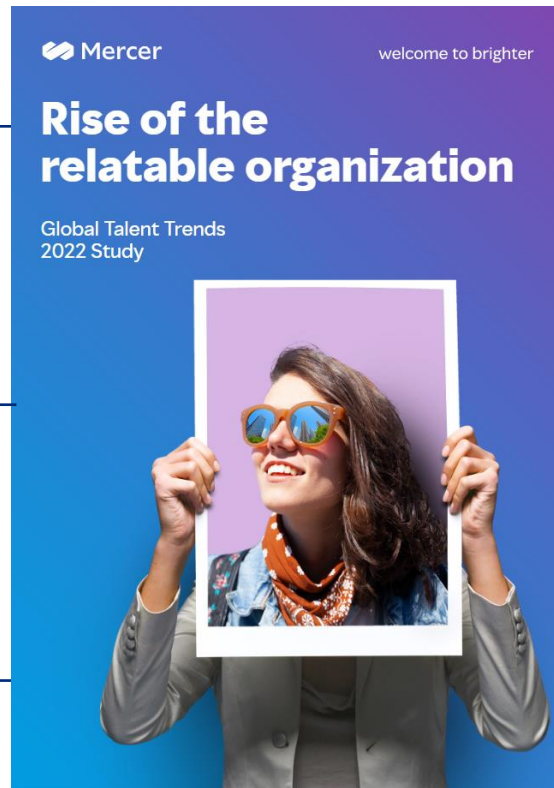
Insight into the latest market thinking

There is a sense of urgency to re-think the way we organize work

Global Talent Trends Study 2022, conducted by Mercer

Covering 16 geographies and 13 industries

10,910 employees, HR professionals, and executives



Frameworks and tools to help you move to a skills-based organization

Welcome the rise of the **relatable organization**

Work without jobs, new work operating system

#1 agenda item for executives
in 2022 is reskilling

#2 HR priority for 2022 is to design
talent processes around skills



91% of employees
recently tried
to learn a
new skill



98% of HR
say their
company has
significant
skill gaps

**Organizations and employees need to
bridge the gap to build capability and prosperity for all**

The Great Reset...

The two most pivotal questions for us

1

How will we re-design work to enable talent to flow to it as seamlessly as possible while enabling its perpetual reinvention?

2

How will we re-envision the talent experience to meet all talent where they are and on their terms?

The New Work Operating System

Organizational agility and the fluidity of modern work and working arrangement

Four principles of the New Work Operating System:

1

Start with the work
(current and future tasks) and not the existing jobs

2

Achieve the **optimal combination** of humans and automation

3

Consider the **full array of human work engagements** (e.g., employment, gig, freelance, alliances, projects, other alternative arrangements, etc.)

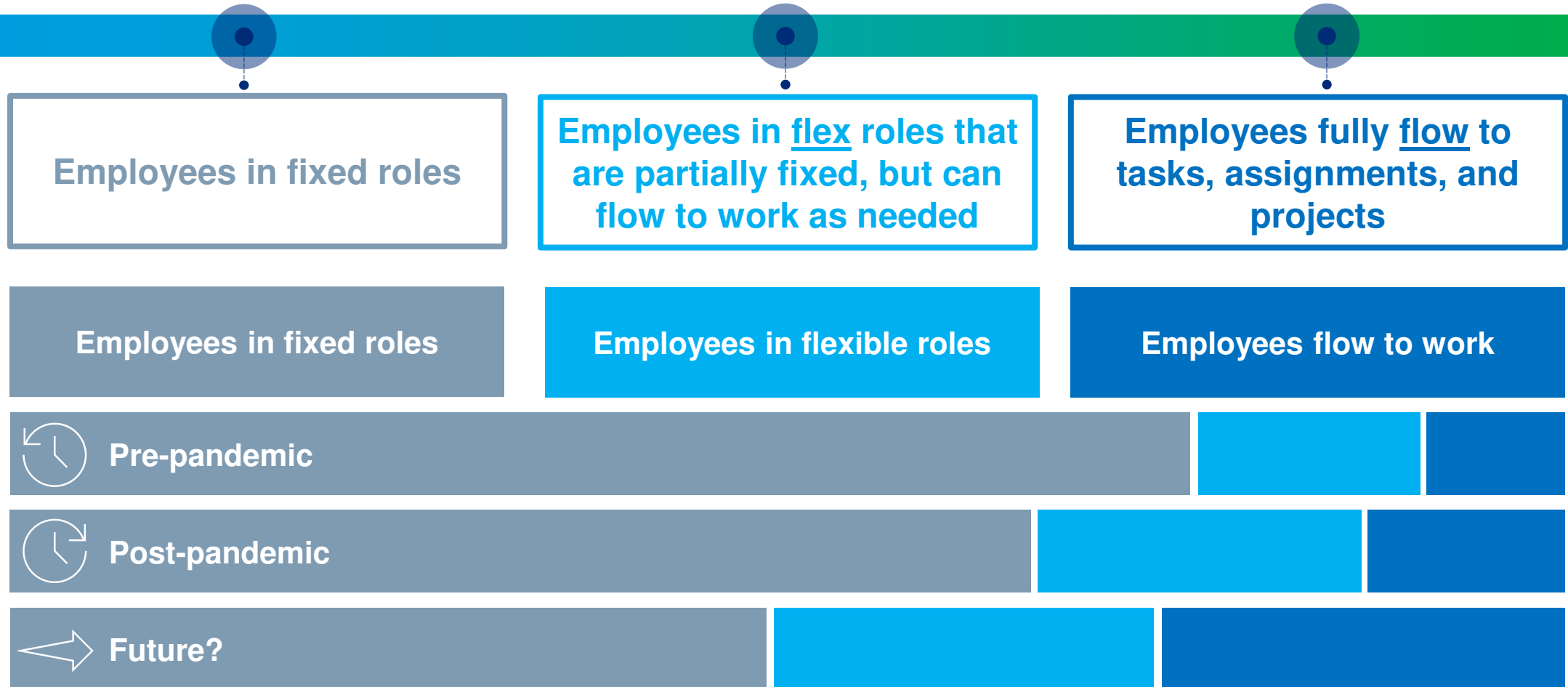
4

Allow **talent to “flow” to work** versus being limited to fixed, traditional jobs

Source: *Work Without Jobs*, Ravin Jesuthasan and John Boudreau, MIT Press, 2022

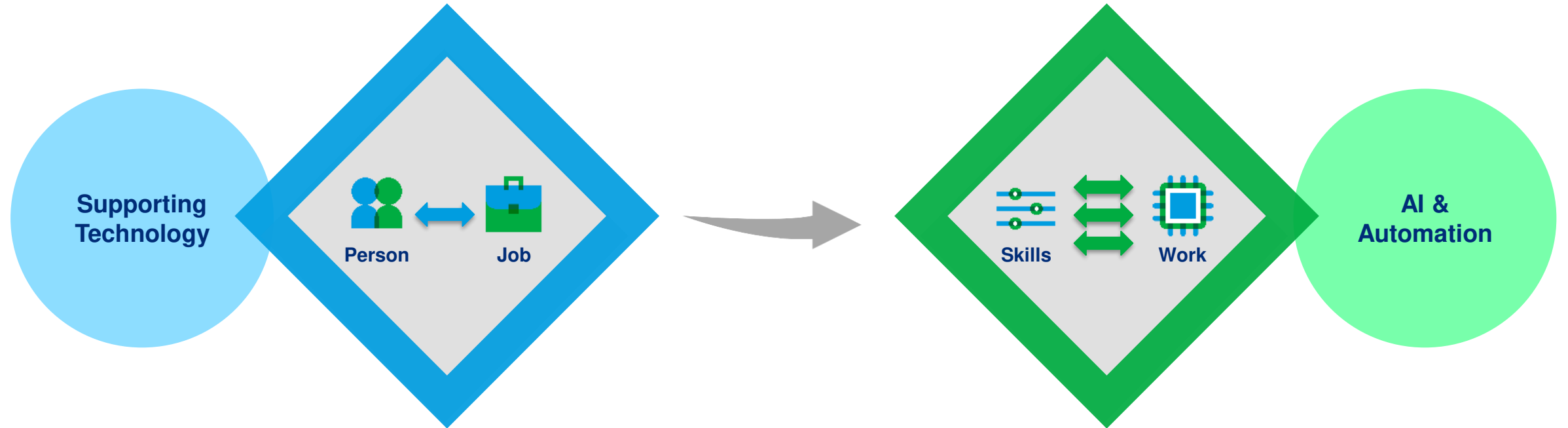
Increasing focus towards more flexible work arrangements

While most of the work is still organized in fixed jobs, this is changing fueled by the pandemic and need for greater organisational agility



Skills and tasks as the new guiding element

The changes are driving organizations to rethink the supply and demand equation



- Employee
- Single job
- Linear career path / experiences based on skills required by job (demand)
- Technology built to support people in jobs

- Internal and external talent
- Jobs, work tasks, projects
- Variety of experiences based on skills required for work (demand) and skills and interests of person (supply)
- Automation becomes a “work partner” to substitute, augment and transform work

Episode 2: Where to start – Building your skills data



Maturity of skills data

Most organizations are at the beginning of their skills data journey

47%

are yet to develop an approach to **classifying skills** at any level of their company.

82%

have a customized in-house **developed skills framework**.

84%

use **technology** to manage skills.

8%

of companies report that they formally monitor the **market demand or availability** of skills.

47%

of companies say their **HR systems** is where most **up to date skills data** exists.



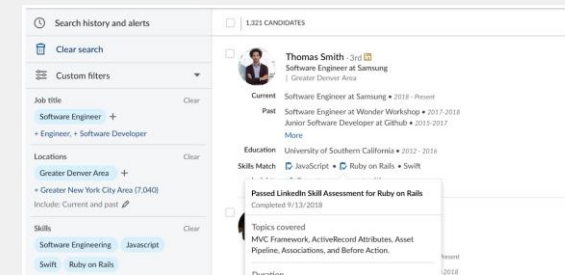
Different approaches to build skills data

While there are different approaches to start building skills data a taxonomy is needed at one point

TAXONOMY APPROACH:
Linking skills data to Job Architecture



SOFT INFERENCE APPROACH:
Employees build their own profile



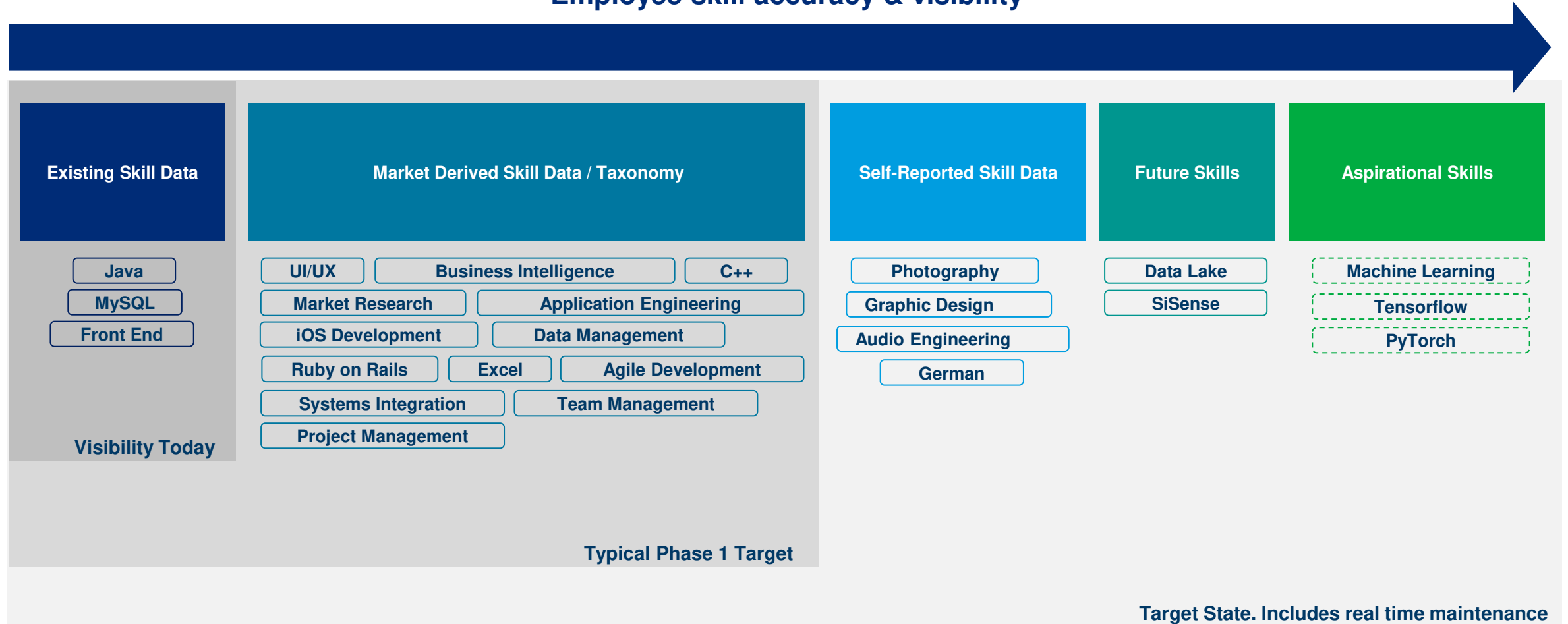
HARD INFERENCE APPROACH:
AI used to assess skills for whole organization



A phased approach to maturing your skills data

A phased approach allows to unlock 80% of skills data in phase one

Employee skill accuracy & visibility



Skills library as enabler

Skills library linked to a Job Architecture can help build the 80% data set needed

The screenshot displays a search interface for a skills library. At the top, a search bar contains the text "IT, Telecom & Internet" with a magnifying glass icon on the left and a "Search" button on the right. Below the search bar, there are radio buttons for "Search by Job" (selected) and "Search by skill".

The main content area shows "723 Results found for IT, Telecom & Internet (sorted by relevance)". Below this, there are three filter buttons: "By Job" (selected), "By Specialization And Career Stream", and "Hard Skills / Soft Skills".

The search results are displayed in a list. The first result is "IT Software Development & Operations (DevOps) - Manager (M3)". It includes a job ID "ITC.02.004.M30", family "IT, Telecom & Internet", and sub-family "IT, Telecom & Internet Generalists". The description states: "Responsible for developing and executing a Development Operations (DevOps) strategy to ensure quality software deployments and overall application health and performance. Optimizes relationships". The skills listed are: Agile Methodology, Amazon Web Services, Jenkins, Continuous Integration, Python (Programming Language), Linux, Microsoft Azure, Ansible, Scalability, Continuous Delivery, Docker (Software), Problem Solving, Bash (Scripting Language), Git (Version Control System), JIRA, Java (Programming Language), Kubernetes, and Scrum (Software Development).

The second result is "General Information Technology - Experienced Para-Professional (S2)". It includes a job ID "ITC.02.001.S20", family "IT, Telecom & Internet", and sub-family "IT, Telecom & Internet Generalists". The description states: "General Information Technology work involves managing or performing work across multiple areas of an organization's overall IT Platform/Infrastructure including analysis, development, and administration of:". The skills listed are: Troubleshooting (Problem Solving), Detail Oriented, Help Desk Support, Problem Solving, Operating Systems, Written Communication, Technical Support, Computer Hardware, Active Directory, Workstations, Interpersonal Communications, Service Desk, Organizational Skills, Verbal Communication Skills, Professionalism, Windows Servers, and Local Area.

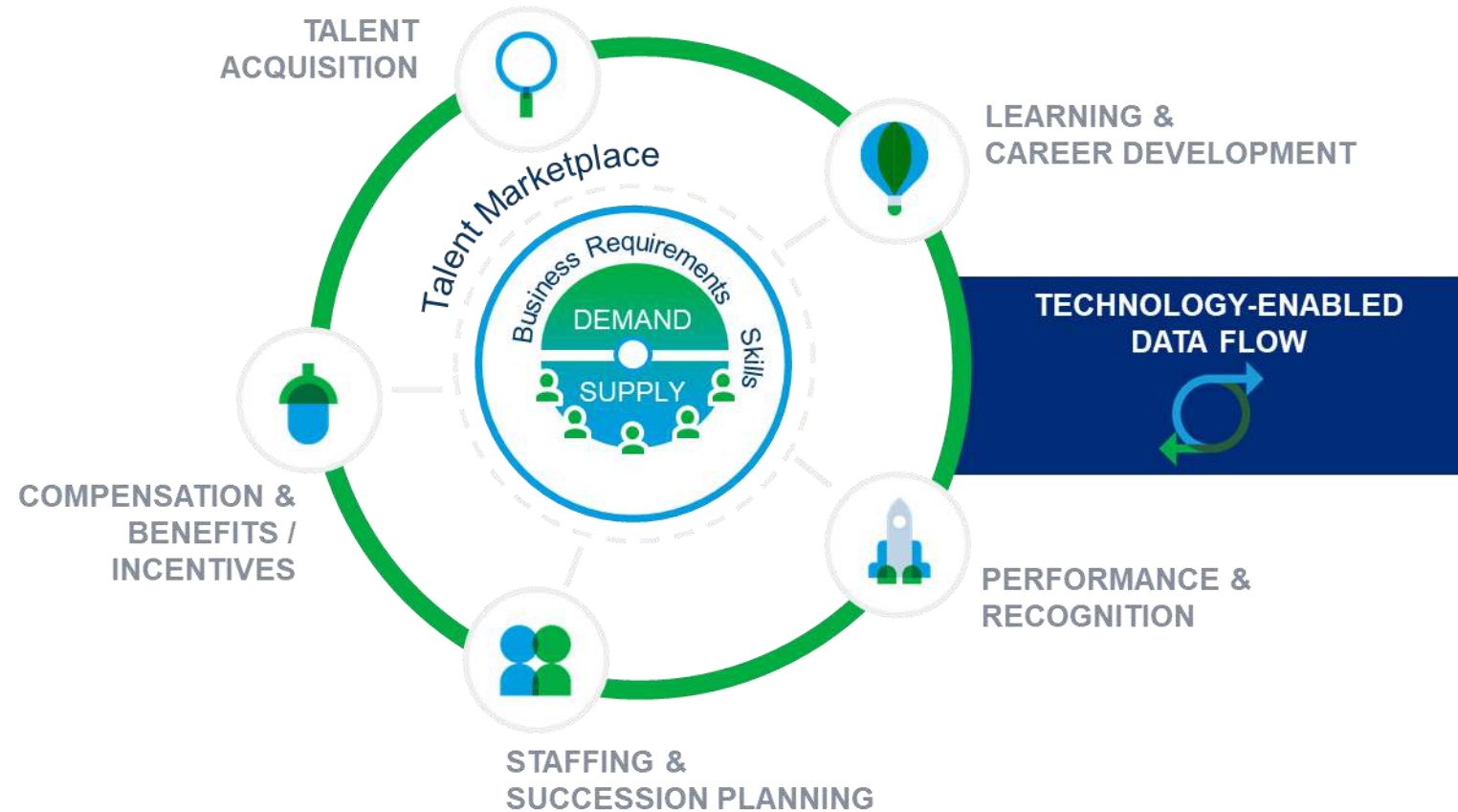
On the right side, there is a "SEARCH FILTERS" panel with a "Clear all" link. It contains dropdown menus for "Family" (selected as "IT, Telecom & Intern..."), "Sub Family" (Choose One), "Career Stream" (Choose One), and "Career Level" (Choose One). At the bottom of the panel is a green "APPLY FILTERS" button.

Episode 3: Applying skills to talent practices



Integrated skills talent practices

Skills become the binding element across all talent practices



STRATEGIC WORKFORCE PLANNING

IT meets medicine – the future roles.

3 critical capabilities identified to successfully drive our future models

- Strategic Workforce Planning:** Ability to understand the business, strategy, design, to implement/execute and track activities through metrics of results, to what, indicate why, to what extent, to what success?
- Continuous Business Analytics:** Ability to continuously analyze effort and skills to better understand the work landscape, to what extent, to what success, to what extent, to what success?
- Information & Knowledge Management:** Ability to generate new and high-quality information, to what extent, to what success, to what success?

continue to reinforce existing capabilities

- Key Account Management
- Sales / Relationship M.
- Medical
- Product / Portfolio
- Market / Competitive research

Overview of focus trend areas.

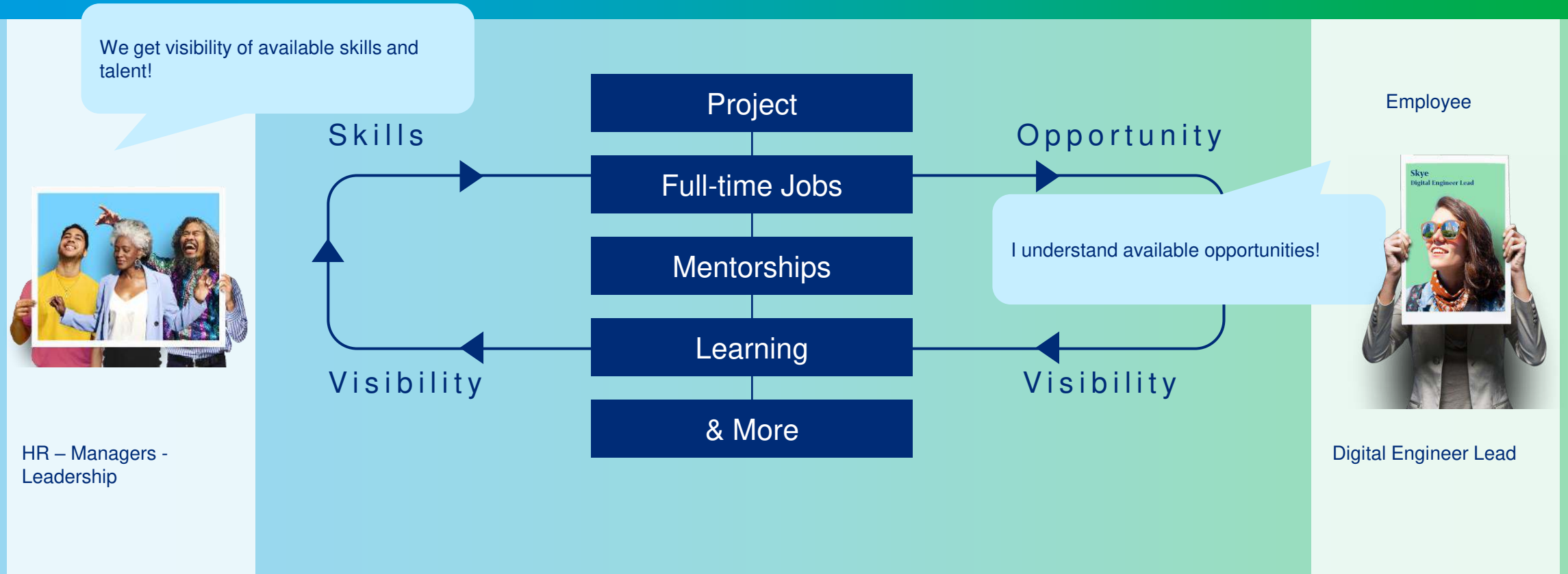
- Real World Evidence:** Medical Devices, Data Mining, Patient Engagement, Evidence Generation
- AI:** Cloud Migration, Cloud Optimization, Cloud Security, AI/ML, Data Analytics, Data Governance
- Machine Learning (ML):** Predictive Analytics, Recommendation Systems, Natural Language Processing
- Cyber Security:** Cloud Security, Data Security, Identity Management, Network Security

Current Roles | Role Evolution | New Roles

- Sales Manager → Key Account Manager (KAM) → This Sales Rep
- Sales Rep (SR) → Core Marketing Specialist → Digital Energy / Content Management
- Product / Marketing Manager → Customer Analytics Specialist (CRM/CRM)
- HR → HR

Talent marketplace as enabler for integrated skills practices

A real-time, two-sided marketplace, connects employee and business needs



Skye
Digital Engineer Lead



The project is managed using agile methods and Skye is **coached** during the project. She loves the collaborative nature of working with a **network** of different colleagues across the business

Skye has now curated her career development on the **talent marketplace** and is actively managing her own career by undertaking various assignments with the support of her manager

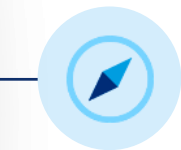
Looks on the talent marketplace system and sees she is **matched to a "Design the Future of Data Science Services" project role**

The system recommends several **learning modules** for her to build proficiency and shows her new career paths she'd not considered before

The project shows how automation and AI are going to be designed and implemented within data science services. Skye realizes that she **will need to gain more skills** post implementation if she wants to continue with this career path

The **pay for skills rewards framework** ensures Skye is rewarded appropriately and the transparency for Skye builds her engagement with the organization

Her manager encourages her to apply to work on the project as they know Skye is looking to expand her **skills and career options**. After an interview with the project manager, **she joins the project 1 day per week**



Developing
SKILLS



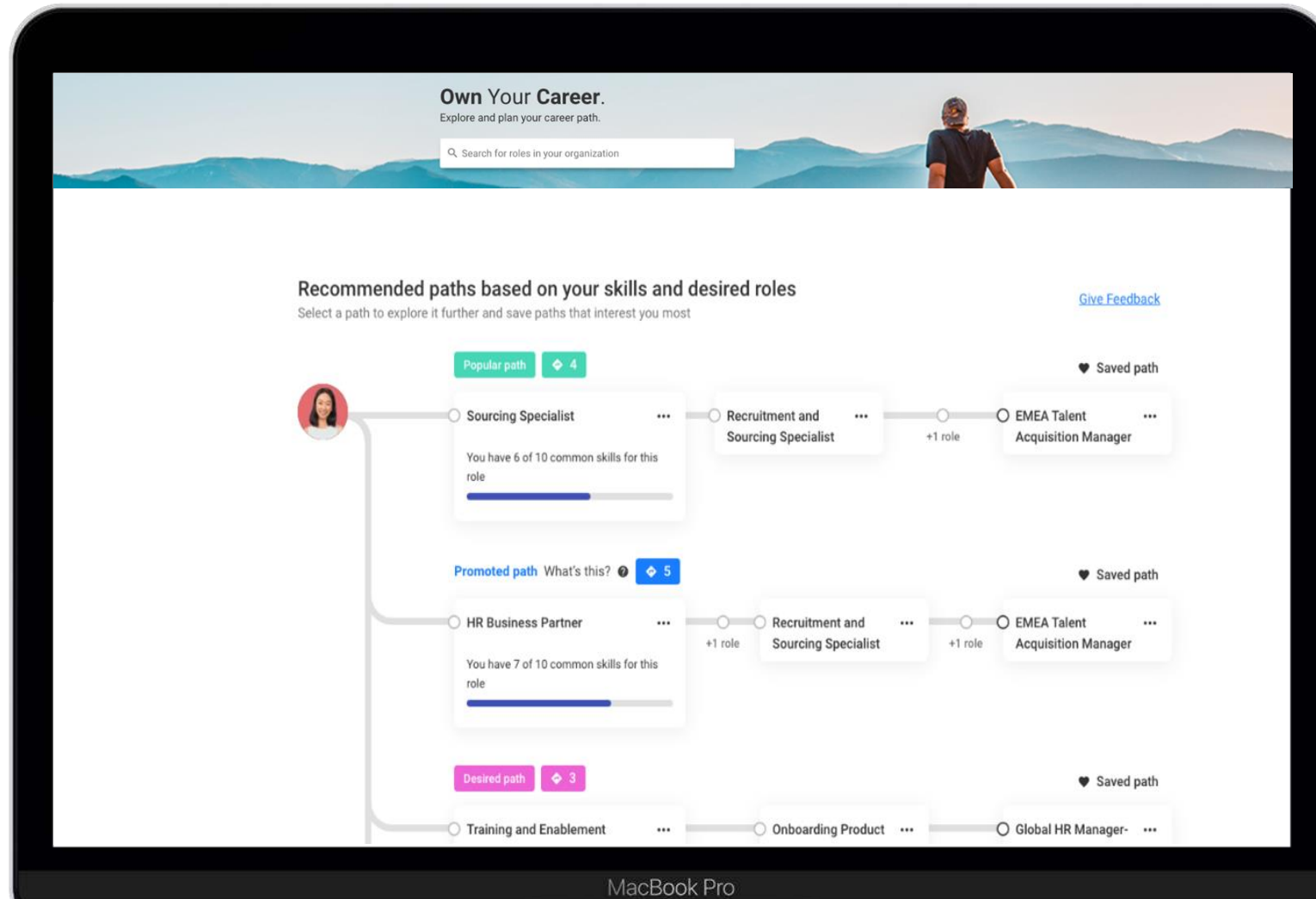
Building
NETWORKS



Getting the right
EXPERIENCES

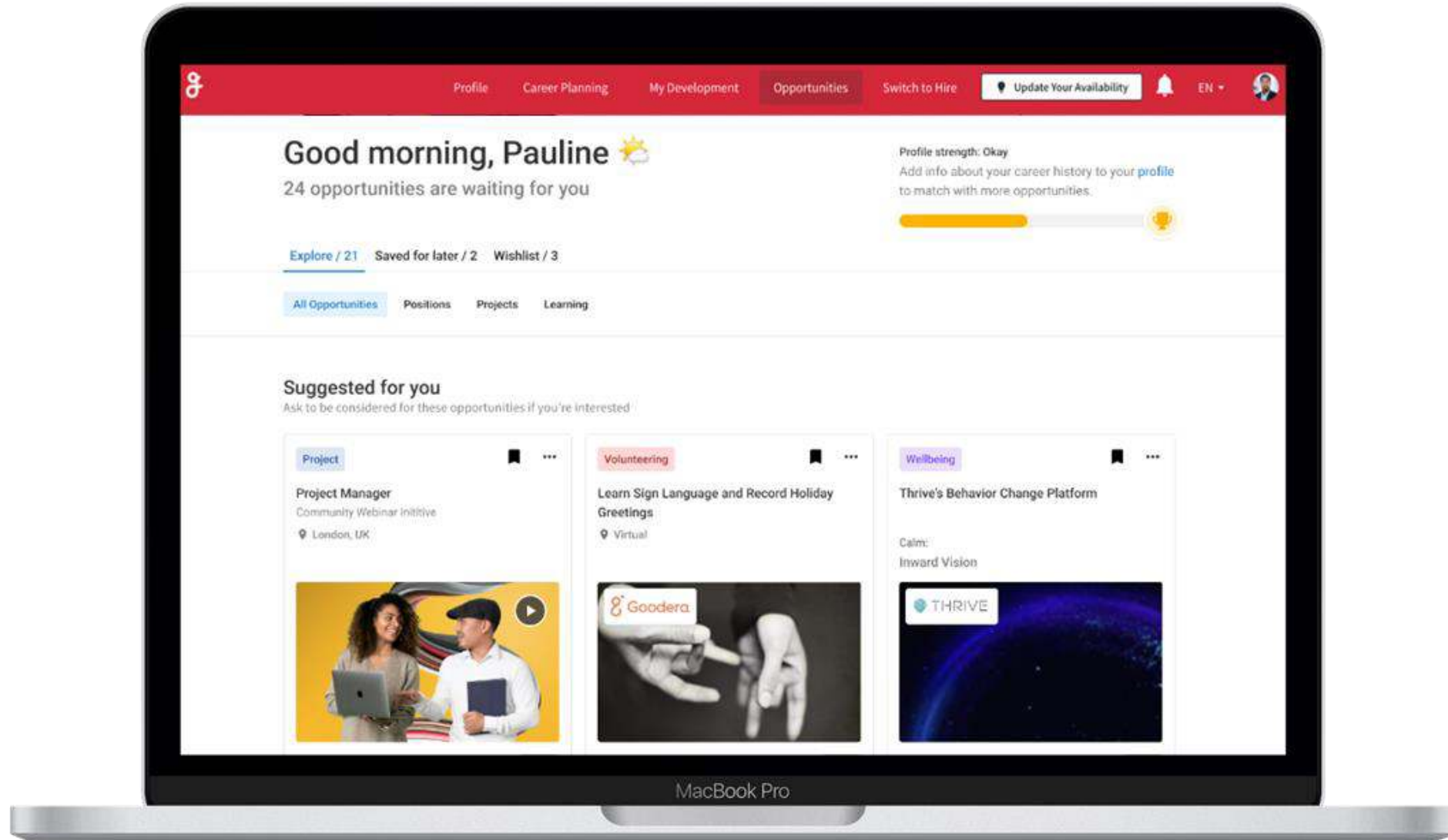
Deep dive skills-based career planning

A marketplace enabled by a Job Architecture gives guidance on future career opportunities based on skills and aspirations



Deep dive skills-based learning

The marketplace connects people with learning opportunities based on skills



Deep dive pay for skills options

Pay for skills can be leveraged in multiple ways

Capability Approach

All employees in a role have a single job code and aligned base salary. Variable pay based on skills and projects completed.

Pay Agility

Skill data informs in “real time” where organization need to increase reward or go outside of current framework to remain competitive to hire and / or retain talent.

Skill Premiums

Market data informs how an individual skill within a role can have a premium and increase the total reward.

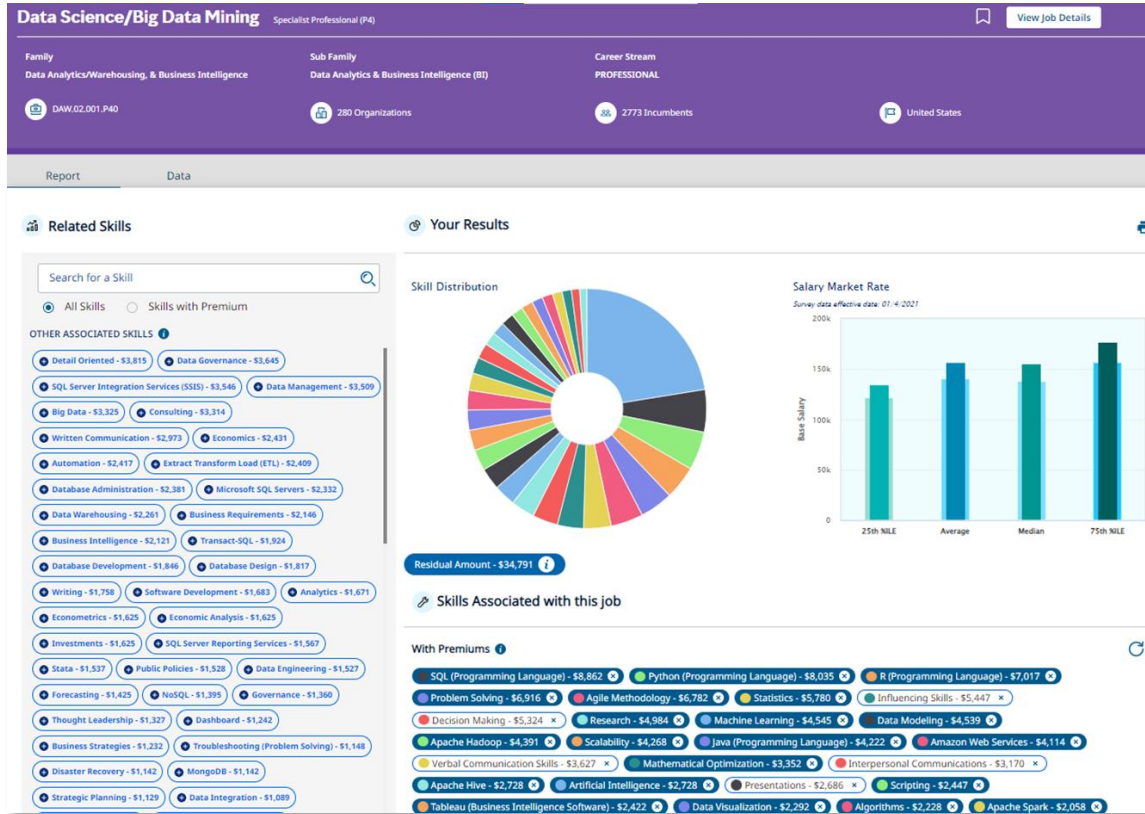
Pay Review

Skills data used as an input into the decisions of allocating reward increase budget or bonuses.

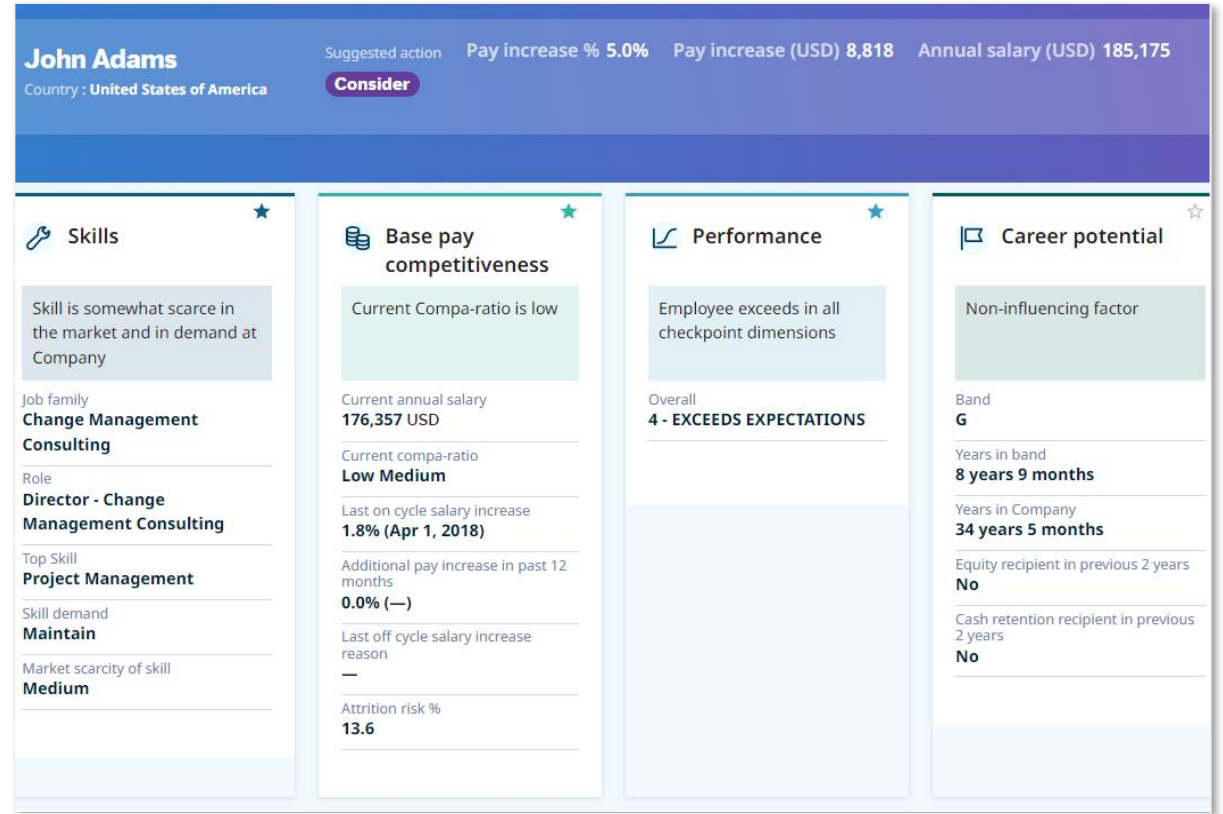


Deep dive pay for skills technology enablers

Technology can enable skills-based pay practices



Skills Pricer



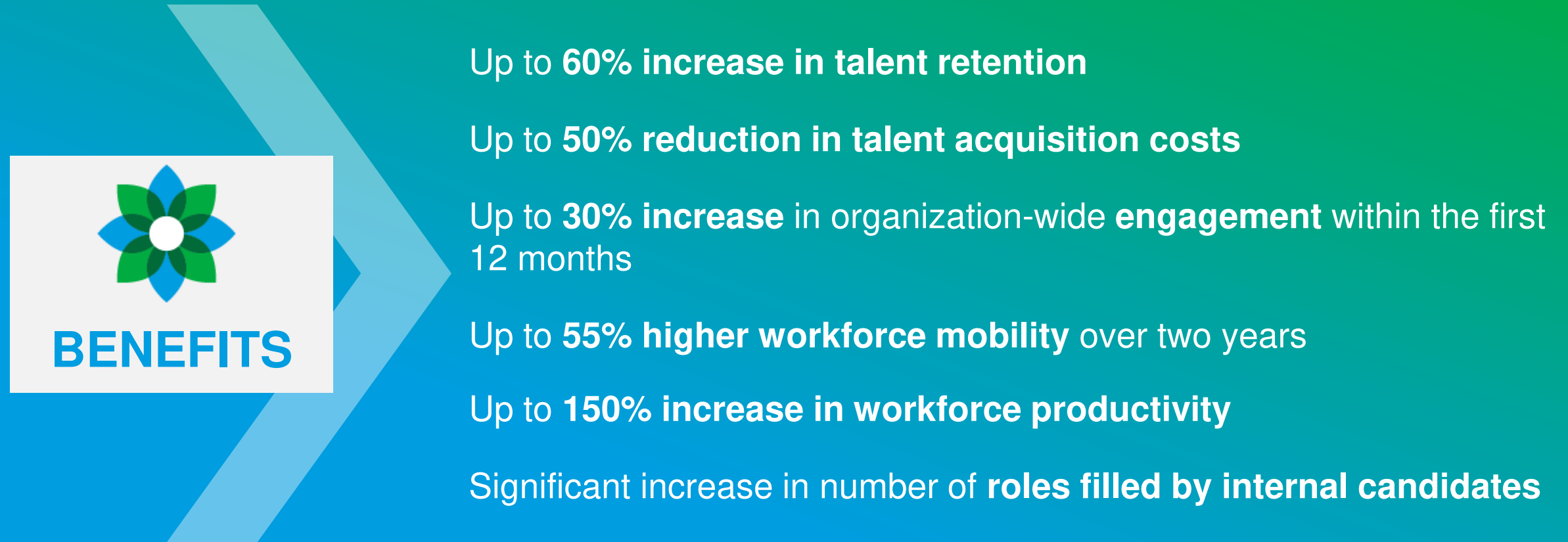
Skills Pay Planner

Episode 4: Pillars of success



What does success look like

Creating benefits for employees and business



Sources: 2021 Mercer Global Talent Trends and public data AI-based talent and skill management tools (e.g., Fuel50, Gloat or EightFold)

And how to get there

Four pillars to ensure success

ONTOLOGY (DATA)



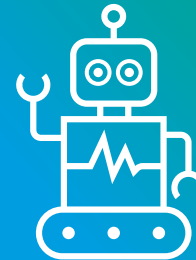
... to **build a common language** and **connect skills across platforms and applications.**

PSYCHOLOGY (CHANGE)



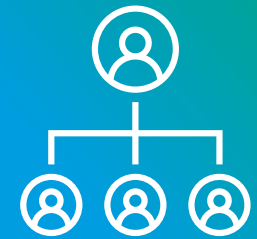
... to **engage and enable employees and managers** to operate as a skills-based organization.

TECHNOLOGY (DIGITAL)



... to **create experience and provide destinations for skill management.**

ORGANIZATION (OD)



... to **ensure policies and structure do not hinder you.**

Contact details



We are happy to connect on this topic

Contact details



Skills the new
currency

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