



getting started with

# skills

welcome to brighter



Are you ready to benefit from skills-based talent management? By simply defining jobs with skills, your organization can connect talent with work in a more modern, agile way — and better meet our changing business landscape.

For most organizations, the base unit of managing a workforce has traditionally been a job. During the 20th century, job descriptions and titles defined how we thought about work, set salaries and made critical decisions around talent and workforce transformation.

In recent decades, however, companies have reimagined that unit of work. Work has experienced seismic disruptions as we have become more interdependent, knowledge-focused, specialized, and flexible about where, when and how we work. As a result, the base unit of work has fundamentally evolved: from jobs to skills.

Skills are now the primary way to define work: how we deploy talent, manage careers and even reward employees. Organizations that cannot connect skills to work are at risk of being outpaced by those that can more rapidly

deploy mission-critical talent. HR is the central hub for skills consulting in the organization, developing skills programs that are timely, relevant, and agile enough to support the organization's strategy through skills assessment, talent development, and employee reskilling.

When you use skills as a common currency across various HR programs, they become the framework for managing work itself. Employers can focus on what skills they need — by either acquiring or developing them through workforce planning and supporting activities, and employees can focus on skill development and career alignment. Employers and employees come together to understand the potential contribution of talent and use that as the basis for pay practices and other talent decisions. In the longer term, the concept of employment may even change. Organizations can match employees to projects or critical work that makes the most of their skills without the traditional job transfer — and workers may pursue more flexible (or gig-type) work arrangements based on those in-demand skills. Between 2020 and 2021, we estimate that 70% of organizations will have used such methods to make internal sharing of talent much easier.

This article is intended as a guide to getting started quickly with skills data and reaping the benefits of a skills-based approach to talent and reward practices.

COVID-19 has proved the power and value of skills. The key now is to harness this energy and rethink the entire talent ecosystem to maintain the same level of business flexibility. Doing so will require organizations to:

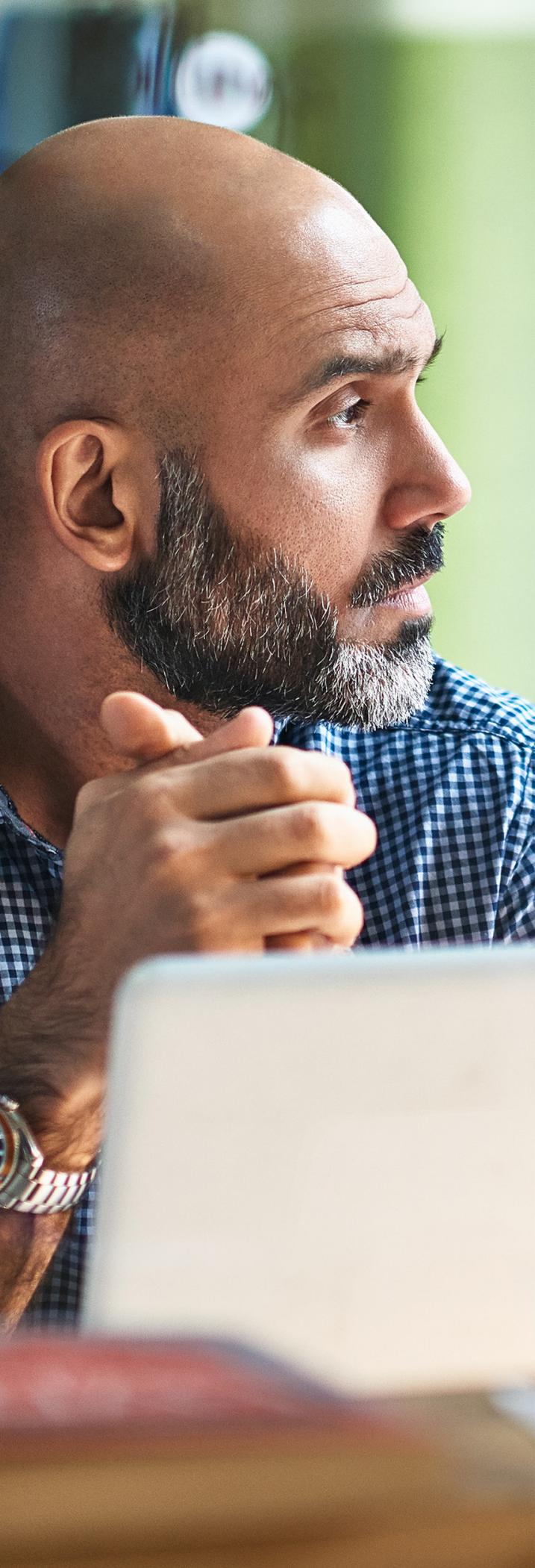
**Step 1: Develop the use case(s) to start with.**

Understanding how to use a skills framework in your organization will help you build your case with executives for why you should invest in and embed skills. Use cases represent the processes or actions that will help you achieve your skills program objectives — such as workforce flexibility, employee attraction, retention of critical skills, or creating a culture of learning and development (see Figure 1 for some use case examples). Some use cases may apply broadly across the organization, and others may be more targeted for specific segments of the workforce, such as leadership or technical talent.

Whatever your use case may be, if you don't implement it with usability and sustainability in mind, even the most robust, transformative, and leading-edge skills program can collapse under its own weight. It's imperative to consider technology (HRIS, Applicant Tracking System, Learning Management System, etc.) implications and requirements as part of your use case. Your future self and your team will thank you.

Figure 1. Example skill-based use cases





***Step 2: Identify a skills data set that will meet your needs.***

Your use cases will require a quality set of skills data to be effective. Many of the datasets that exist at the individual level — such as resumes or self-reported skills within profiles — are inconsistent and unreliable. Organizations that first map a consistent, validated set of skills to existing jobs will be able to identify the skills that are needed today and into the future. This will empower these organizations to manage talent for business capabilities in ways not traditionally seen. You can leverage your existing job architecture to do this quickly and efficiently with the right skills data.

For this reason, many organizations with low job data quality or an immature job architecture will decide to clean up their job catalog before launching a skills initiative.

The skills landscape is continually changing, with new skills emerging as others become obsolete. You need to find the data set that will meet your specific needs. For example, many organizations will choose to purchase skills data sources indexed against external supply and demand data. Various skills data libraries — such as [Mercer's Skills Library](#) and O\*NET — offer different value and make sense in different use cases.

It's not enough to simply have a skills library or design a new process on paper. It's essential to consider how various stakeholders may use technology to house, maintain and interact with your skills data library — depending on their use cases.

### **Step 3: Apply a skills framework to your use case.**

Once you have established your skills data library, you will be ready to connect skills to existing programs, IT systems, and processes based on your use case. In most situations, you will need to leverage your existing systems to embed skills technology and applications within your business processes. Skills can become your organization's common currency across HR programs and jobs. Here are some examples:

- Talent acquisition specialists can use skills to define recruitment needs and requirements before screening and evaluating applicants.
- Managers can set skills-based learning and development goals, and assess performance based on demonstrating those same skills. HR teams can also use this information for workforce reskilling — building curricula to upskill broader groups of employees.
- HR can use workforce skills data to reduce decision-making bias and support a broader diversity, equity and inclusion strategy.

In this way, skills-based talent management and workforce upskilling remain easy, intuitive, and relevant to everyday business and talent management functions. Employees will appreciate having their skills embedded into other HR programs and processes. The company will find it easier to create and sustain an agile organization when talent, from the employee's and employer's perspectives, is powered by skills data.

Don't be left out while others are building flexibility and resiliency into talent practices. Use these few simple steps to help prepare your organization for the inevitable skills-based future of work.

**To learn more about how Mercer has helped employers achieve a competitive skills-based approach, [click here.](#)**

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