

# Becoming a Skills-Driven Organization

The entire concept of work is evolving quickly. Traditional work models are cumbersome and are losing relevance. Tight labor markets and scarcity of critical skills are forcing leaders to think and invest differently. The practice of deconstructing jobs into more granular, flexible shapes is showing promise. Concepts of what it means to be employed are shifting, requiring organizations to rethink hiring models, rewards models, teaming models and employee experience.

The need to continually refresh skills and stay relevant for the future is top of mind for everyone as within the next year, skilling the workforce is expected to surpass inflation as the top challenge hindering growth. Our recent research found that 95% of CXOs expect to increase investments in skilling over the next 12 months.<sup>1</sup>

## The future of work has arrived

Leaders will need new mindsets, skills and support structures to lead through these shifts and into these very different models. HR teams will need the skills and capabilities to deconstruct work, codify talent pools, identify opportunities for automation and create the conditions for collaborative, agile teaming. At the same time, organizations must keep pace with rapidly evolving employment regulations and workplace expectations.



### Learning the language of skills

- **Skill:** The ability to perform a task or do something well.
- **Knowledge:** The understanding of specific concepts, independent from the ability to perform.
- **Skills-driven talent practices:** Practices that use skills as fuel for key outcomes (e.g., hiring, development, staffing and rewards outcomes).
- **Skills-driven organizations:** Organizations that operate as an integrated network of human + technology systems that, together, leverage skills to create more equitable opportunities for people to learn, earn and grow.

<sup>1</sup> Accenture 2023 Skilling Study



**CXOs cite **skilling and developing the workforce as the No. 1 challenge** hindering organizational growth in the next 12 months.**

That's why progressive organizations are investing in workforce architectures and infrastructure foundations—and skills have claimed center stage in the future of work.

When used correctly—and threaded holistically—skills can provide the common language and structures needed to rewire current workforce models for greater organizational agility and create more equitable access to opportunities. While not the singular solution, skills-driven talent practices add value to current workforce models and establish a strong foundation for future models to take shape and expand.

**Accenture's journey to becoming skills-driven**

Accenture has been on its skills-driven organization journey since 2015. We began with establishing the backbone: The taxonomy and the supporting infrastructure. From there, we threaded skills into key talent practices and shifted focus to change activation and enterprise adoption. Skills have become a key currency across our organization, resulting in increased mobility within and beyond the company, optimization of internal capacity, better matching of individuals to projects and greater precision of investment across all dimensions of our talent strategy.

**Accenture is assessing 11 million skills every week**

There is no one-size-fits-most roadmap to bring a skills-driven organization to life at speed and scale. There are, however, key guideposts to follow. Our guideposts take shape from both our own experience with our workforce and the work we are doing with dozens of clients at various stages and maturity levels of this journey.



## Five foundational steps

Our guideposts define five critical foundational steps:



### Defining the vision and strategy

- What is the short-/medium-term roadmap for the journey?



### Aligning on the strategic choices that will guide the journey

- What is most important? Speed? Transparency? Legal defensibility for high stakes decisions? Is localization necessary?
- Will we use artificial intelligence for skills assessment? How will we do so responsibly?
- What are the downstream implications of key choices?
- What are the tradeoffs?



### Establishing the skills foundation

- Data models, infrastructure, policies, processes and platform(s)
- Which enterprise systems do we need to integrate with?



### Deconstructing work into tasks, skills and collaboration models

- Aligning with and/or adjusting broader talent architecture models already in place



### Rearchitecting both strategic and operational talent practices upon that skills foundation, starting with workforce planning and learning

- Recruiting and internal mobility will come next
- Performance and rewards will follow



An advanced, human-centered change and engagement strategy must underpin this entire effort. Leaders should help their people understand why this matters and convince them that the effort needed is worth it. Right now, only 34% of workers are very confident that their skills will be of use and value 3-5 years from now.<sup>2</sup> Bringing a skills-driven organization to life requires thinking differently about talent, breaking old habits and establishing new cultural norms. The good news is that there are ways to build the bridge from today's world to the new world.

This is an exciting space that is evolving rapidly as more organizations begin shifting in this direction. There is tremendous potential with several different entry points depending upon your priorities, existing technology stack and cultural readiness. Where will you begin your journey to becoming a skills-driven organization?

<sup>2</sup> Accenture 2023 Skilling Study

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