



THE ↗ NEW SKILLS LANDSCAPE

Why you need to rethink
your approach to skills—
and the strategies you need
to know to come out on top



EBOOK



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FOREWORD

In today's rapidly changing business environment, more than three-quarters of businesses say they're hiring for roles today that didn't exist a year ago—and that previous key positions are now obsolete. Ninety-four percent of business leaders expect employees to pick up new skills on the job, and 40% of leaders say their employees' core skills will change in the next five years.¹ Now, more than ever, there's a rush to "future-proof" organizations by finding and developing talent with the right skills.

Skills-based hiring offers important benefits. It shifts the focus away from education and experience, helping to widen the talent pool and build a more diverse and resilient workforce. It can create a workplace culture that fosters continuous learning and development, expanding access to the resources, opportunities, and incentives necessary to apply skills for maximum impact. This supports the creation of new and diverse career paths, which are valuable to both people and organizations.

Recognizing skills as an essential driver for business success is not a new idea. What is new are the technological advancements that make it easier for organizations to catalogue and evaluate current skills, identify skill gaps, and take steps to close these gaps.

But skills do matter. A true skills-based organization views its people as individuals with unique technical abilities, behavioral competencies, and personal identity, embracing the "whole person."

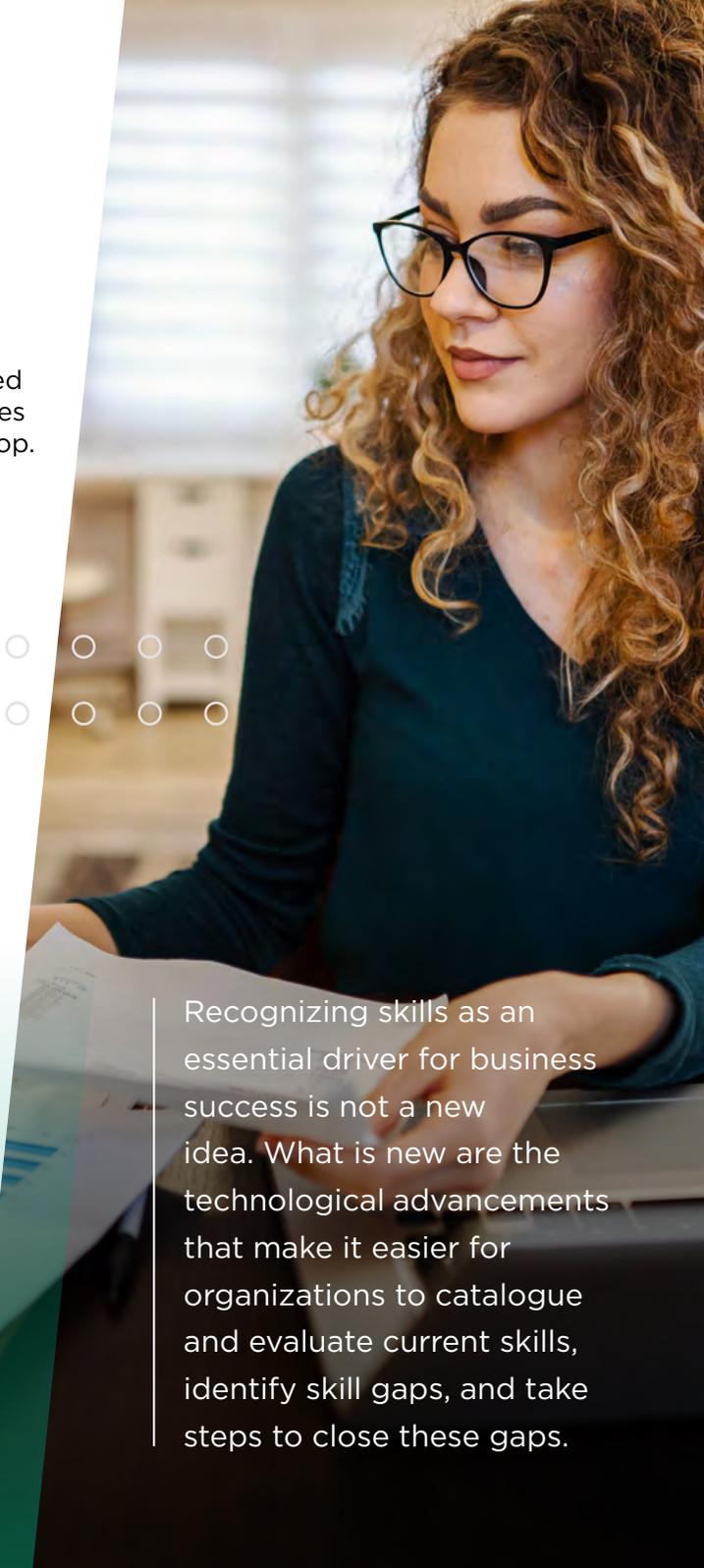
A whole-person assessment recognizes that the right cultures and structure impact how these skills come to life. On paper, two people may have identical technical skill sets, but one individual could be a much better fit and have greater growth potential at your company. Knowing how to determine the difference is what sets effective skills-based organizations apart.

This eBook will help you understand the new skills landscape, why technical

advancements, such as skills-tech platforms, are just one part of becoming a skills-based organization, and the strategies you can use to come out on top.



¹ The Future of Jobs Report 2024, World Economic Forum, April 2023



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WHAT **ARE SKILLS** ANYWAY?

The term “skills” covers a lot of ground, but at its core, it combines technical abilities, behavioral competencies, and personal identity. Skills are learned or developed over the course of a person’s career through the roles they hold, challenges they face, successes and achievements, mistakes made, and lessons learned. Some skills may be acquired through education, on-the-job training, formal mentoring, new experiences, and changing roles. Others are more innate aspects of a person’s self, closely tied to their behavior and identity.

TECHNICAL ABILITIES, BEHAVIORAL COMPETENCIES, AND PERSONAL IDENTITY: **WHAT’S THE DIFFERENCE?**



Technical abilities, also known as “technical or hard skills,” are the knowledge used to do practical and applied tasks. These skills often involve tools, technology, practices, and methods. Technical skills can be trained.



Behavioral competencies are the observable skills and behaviors required for success. These are sometimes referred to as “soft skills.” Compared with technical abilities, they are more difficult to quantify and develop, but they are just as critical.



Personal identity is who you are and why you do what you do. It is what drives and motivates you, the personal characteristics you have, and the attitude with which you live your values. This impacts what energizes you. Thus, it’s not just what someone’s skills are, it’s how they use their skills and in what context. Someone’s personal identity is the most difficult one to change. Therefore, the development is in acknowledging, being aware, and creating the context to make the best fit.

For example, a developer might have the technical ability to use three different programming languages. They may also be adaptable, critical thinkers, making their knowledge of programming languages even more valuable since they can apply these languages in different contexts. And they may be energized by not just being a “developer,” but an enterprise contributor, giving them a deeper connection to the organization’s success and thus delivering a higher-level performance.

FIT MATTERS

When organizations talk about skills, they’re often referring to technical abilities or behavioral competencies in the abstract.

“We need 100 more developers who know this coding language.”
“All our employees need to be strong communicators and collaborators.” This misses the bigger picture.

Rather than focusing on skills in isolated pieces, organizations must consider the whole person they’re hiring or developing, as well as their company’s culture, values, and business goals.

People are seeking meaning and purpose from their work. Understanding how their role contributes to their team and the organization helps them feel more closely connected to the company’s mission and vision, driving intrinsic motivation and performance.

The opposite can also be true: when people feel like they’re languishing in their role or their skills are not being utilized or recognized, they’re less motivated and engaged. Hiring 100 developers with expertise in a specific coding language won’t be helpful if they’re frustrated by a lack of learning and development opportunities or feel disconnected from the company’s mission.



SKILLS



BEHAVIORAL
COMPETENCIES

+



TECHNICAL
ABILITIES

+



PERSONAL
IDENTITY

How you do it

Who you are

DO JOBS STILL MATTER IN THE AGE OF SKILLS?

In a world focused on skills, some will dismiss “jobs” as irrelevant. But doing so would be an oversimplification. Instead, skills-based organizations look at skills in the context of the work that needs to be done. Skills are an enabler and a catalyst for work, rather than a replacement for jobs. Whether work is bundled into jobs, role, projects, or gigs, it’s helpful to think about which skills are needed for which purpose:

- What are the skills needed to do work?
- Which responsibilities are associated with different roles?
- How can we organize these roles in both responsibilities and skills to best optimize organizational fit, employee engagement, and output?

SKILLS FOR WHAT?

As organizations build a skills repository or inventory, there can be a tendency to focus on quantity at the expense of quality. Cataloging hundreds or thousands of skills feels impressive. But are these the right skills to achieve business goals? And are people positioned to maximize their full potential with these skills? While a skills repository is an important component of a skills-based organization, it’s just one piece.



BECOMING A **SKILLS-BASED** **ORGANIZATION**

Becoming a skills-based organization is about more than placing skills at the heart of talent strategy. It's a complete re-imagining of how organizations are structured, accompanied by a mindset shift in the relationship between roles, people, and business strategy.

A skills-based organization recognizes that people have a wide range of unique skills, capabilities and mindsets that combine to allow them to be successful in various roles. These organizations also understand that skills should be looked at in the context of the work to be done to achieve the organization's strategy today and tomorrow.

A skills-based organization recognizes that people have a wide range of skills that can be utilized to be successful in various roles. They consider the individual as a whole person, how their capabilities fit with the work that needs to be done today and tomorrow within their organization.





6 PILLARS OF SKILLS-BASED ORGANIZATION

- 1 Organize work as a set of responsibilities—** either as a job, project, or gig—linked to fluid sets of skills, competencies, and capabilities, and aligned with the organization’s strategy.
- 2 View people as individuals** with unique skills, competencies, capabilities, and personal identity, embracing the “whole person.”
- 3 Create and maintain a “skills hub.”** This is a centralized repository of skills, competencies, and capabilities needed to perform responsibilities to achieve the organization’s strategy. Keep it up to date to track and manage emerging skills.
- 4 Use assessments or inventories to identify reskilling and upskilling opportunities.** Think about an employee’s development in terms of their potential for future valuable skills versus basing assessments solely on past performance.
- 5 Use predictive modeling/data analytics** to identify what work will be done in the future, the skills needed to do it, and the best steps to acquire these skills, linking analysis with action.
- 6 Foster an environment of diversity, equity, and inclusion** by opening opportunities for employment, development, and promotion based on skills rather than solely relying on education or experience.

4 BENEFITS OF A SKILLS-BASED ORGANIZATION

1 BETTER AGILITY AND ADAPTABILITY

Organizations focused on skills are 57% more likely to anticipate and effectively respond to changes.

3 INNOVATION AND PROBLEM-SOLVING

Collaboration among people with diverse skill sets offers fresh perspectives, unique thinking, and more inventive solutions.

2 TALENT RETENTION AND ATTRACTION

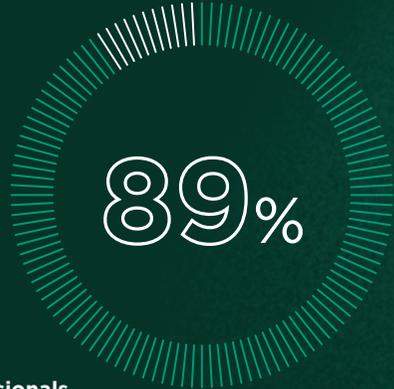
Skills-based organizations are 107% more likely to place talent effectively and 98% more likely to retain high performers.²

4 FUTURE-PROOFING

Organizations with a comprehensive understanding of their teams' current skills and competencies can better identify and close skill gaps.

² Is the end of jobs at hand, Business Insider, March 2024

³ 2024 Workplace Learning Report, LinkedIn Learning, February 2024

A circular graphic with a teal border and a white center containing the number 89%. The border is composed of many small vertical lines of varying heights, creating a radial effect.

89%

89% of leadership development professionals agree that navigating the future of work will require proactively building employee skills.³

A circular graphic with a teal border and a white center containing the number 107%. The border is composed of many small vertical lines of varying heights, creating a radial effect.

107%

Skills-based organizations are 107% more likely to place talent effectively and 57% more likely to anticipate and effectively respond to changes.²

PLANNING FOR THE FUTURE

Ensuring your workforce has the skills needed for future success starts with understanding the people you have now. Workforce planning technology can help predict the work that needs to be done in the future and the skills needed to do it. Once these skills are known, it's much easier to identify skills gaps and determine the right plan of action to close these gaps.

When you align your skills analysis with business strategy, potential solutions become clear:



BUY: External market analytics will tell you where people with the needed skill live, their current employers, pay scale, demographics, and more. You can then use this data to develop a compelling recruitment strategy.



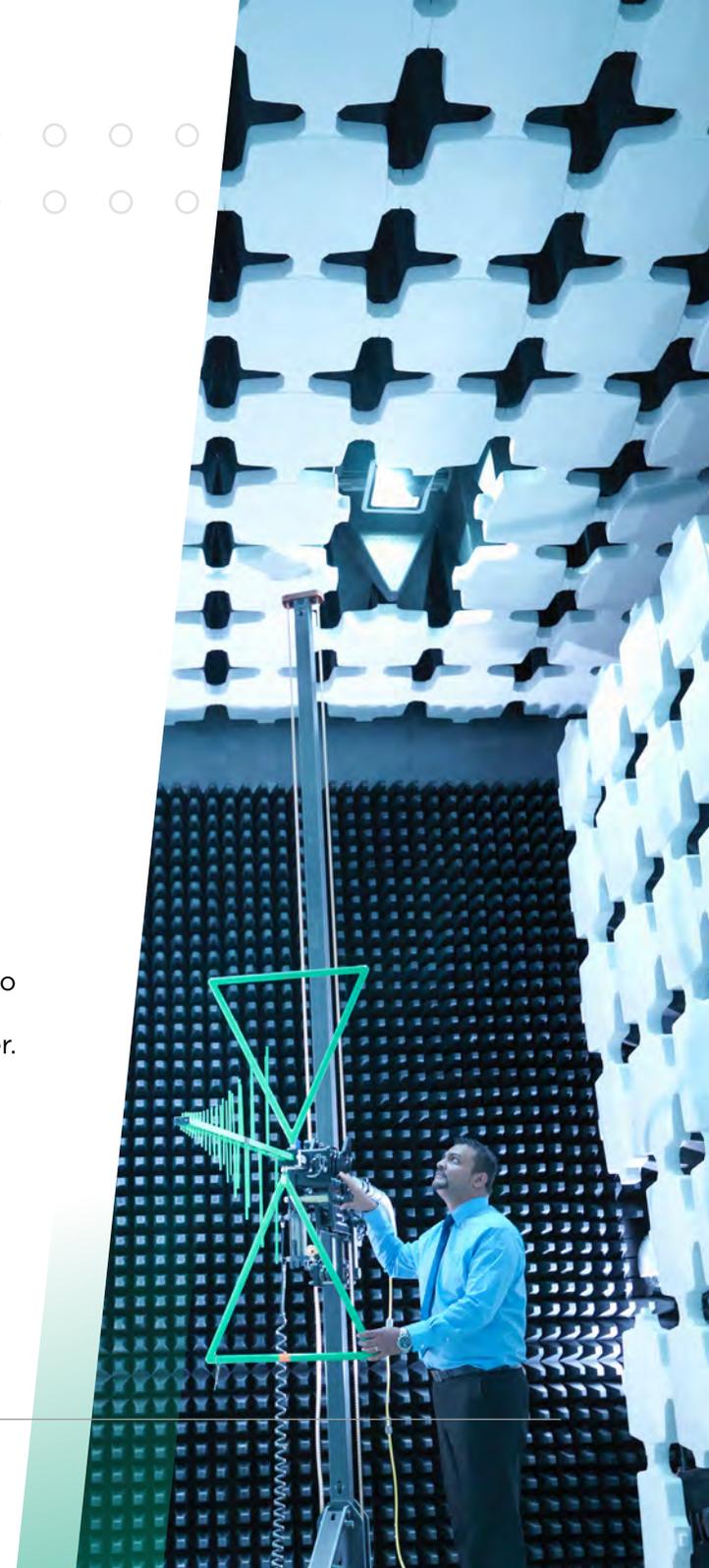
BUILD: Another option for filling skill gaps is to evaluate your current workforce for their performance and upskilling potential. AI can speed this evaluation, proposing potential outcomes for different scenarios, such as offering additional training to high performers.



BORROW: In addition to upskilling, organizations can also opt for interim hires to bridge the gap or support skills transfer.



BOT: Workforce planning tech can help identify skill gaps that could be resolved through automation or outsourcing.



A HELPING HAND

Knowing the most impactful skills is one thing. Understanding how to develop them in your people is another.

At Korn Ferry, we specialize in helping people, teams, and organizations unleash their potential.

WE CAN HELP YOU:

1 Use our [Success Profiles](#), which are dynamic benchmarks that show which skills (technical abilities, behavioral competencies, and personal identity) your people need to do the work, based on responsibilities to further your organization's goals. Our libraries of responsibilities and skills are linked through levels of complexity and proficiency, based on underlying algorithms.

2 Organize, simplify, and normalize your organization's skill field using our powerful skills taxonomy.

3 Assess and identify skills gaps, and create an action plan to recruit and develop people to fill these gaps, evaluating the whole person for fit and potential.

4 Understand how to better leverage your existing investments in skills-tech platforms.

5 Support your organizational transformation with purposeful cultural change, including radically human communication.

6 Develop change-ready leadership and empower them with reward and recognition instruments to shape success.

FIND OUT HOW WE CAN HELP YOU TRANSFORM YOUR ORGANIZATION'S APPROACH TO SKILLS



Skills Podcast:
The Future of Talent



An Introductory Guide
to Talent Assessment

[DOWNLOAD NOW](#)

Find out how we can help you transform your organization's approach to skill

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Korn Ferry is a global organizational consulting firm. We work with our clients to design optimal organization structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward and motivate their workforce while developing professionals as they navigate and advance their careers.

Business advisors.

Career makers.