

Skills are five times more predictive of a person’s future performance than their education.¹

Many organizations think they are implementing skills-based practices but haven’t built the shared language, culture, structures and technology systems needed to support it. Amid the current war for talent and the rapidly shifting future of work, skills-based mobility practices can make companies more competitive and nimble.

In 2021, job openings hit a record high for at least five months in a row, and every region in the country noted extensive labor shortages.²

Skills-based internal mobility refers to the strategic development and use of skills to advance employees within an organization both laterally and vertically. The Business Roundtable Multiple Pathways Initiative (MPI), comprised of VP and C-suite HR leaders, came together to articulate the value of taking a skills-based approach to talent management. Some benefits of skills-based mobility include:

Companies	Employees
● Increased retention and reduced hiring, onboarding and training costs. ● Increased innovation and business agility due to retention of company knowledge. ● Increased employee engagement and satisfaction. ● Greater alignment between corporate strategy and talent management.	● Increased opportunities for advancement, especially for those who face barriers to formal credentials. ● The ability to see and access clearer career paths. ● Validation of skills acquired through informal methods, including lived experiences.

It is important to note that large-scale implementation of skills-based approaches is relatively new, and many companies are still early in this process. This playbook shares early learnings for implementing skills-based mobility strategies based on practical advice from companies who are actively learning their way through it. Our insights are organized by the key steps of implementing this process:

Chapter 1

Planning, strategy and stakeholder engagement

This process begins with reflection on the current state of talent mobility through qualitative and quantitative data, and understanding the business opportunities enabled by skills-based mobility. Defining the intended outcomes and scope of the strategy, beginning with a pilot, helps bring clarity to the potential benefits as well as a realistic timeline. Other insights include:

- When determining the path and scope for this process, articulate the change management steps and how it supports broader enterprise and talent strategy.
- To test the process, select pilot areas that can provide quick-wins and visibility to establish buy-in and learning.
- It is essential to identify and engage stakeholders from the C-suite to the frontline early, often and thoughtfully to build understanding and buy-in.

Chapter 2

Skill mapping and validation

One of the most significant aspects of implementing skills-based mobility is the validation of skills and competencies, which is enabled at scale through technology and AI. The biggest barrier to adoption is building widespread buy-in for the validity of non-traditional learning, and there are ample examples and technologies to support this. Other reflections include:

- Expanding the organization's understanding of and belief in the broad ways in which skills can be meaningfully acquired and validated can illuminate previously hidden capabilities.
- In articulating and regularly updating a skills taxonomy, it is important to ensure the framework is agile, trackable and aligned with the external context (e.g., industry standards).

Chapter 3

Matching people to growth opportunities

Once skills are validated, there needs to be a clear process and platform for connecting employees with opportunities, including roles, temporary gigs and training, that can advance both employee mobility and business objectives. In addition to this platform, intentional and equity-oriented supports such as learning, mentorship and sponsorship can help bolster this process.

- A culture of employee-centric career growth and accessible support through on-the-job opportunities and mentorship are crucial for this stage.
- Integrate considerations for bias throughout the process.

Chapter 4

Measurement and continuous learning

Measurement and continuous learning support a company's understanding of implementation progress and outcomes and can help illuminate real-time adaptation opportunities. The MPI companies developed outcome and practice adoption indicators that articulate what change looks like over time.

- Begin with assessing the current state using available data and understanding which practices may already be in place.
- Build the organization's capacity to track and interpret data and the resulting implications.

Chapter 5

The role of technology

Companies consistently emphasize the importance of technology and AI in enabling skills-based mobility at scale within an organization. This requires close partnership between HR and IT teams, and likely dedicated resources. This chapter covers:

- Systems planning considerations and reflection questions to encourage alignment on supportive technologies.
- User-design considerations for effective and accessible systems.

Skills-based mobility is the newest frontier for HR that addresses critical business needs and improves predictability of employee performance, while also investing in the development and economic mobility of employees.

¹ Michigan State University, Hunter, John E. & Ronda F. Hunter, "Validity and Utility of Alternative Predictors of Job Performance"

² "U.S. job openings hit record high as employers struggle to find workers", Reuters, 8 Sept. 2021, <https://www.reuters.com/business/us-job-openings-rise-record-109-million-july-2021-09-08/>