



eBook

Building a Skills-Based IT Organization

Helping IT Leaders Move from Strategy to Action

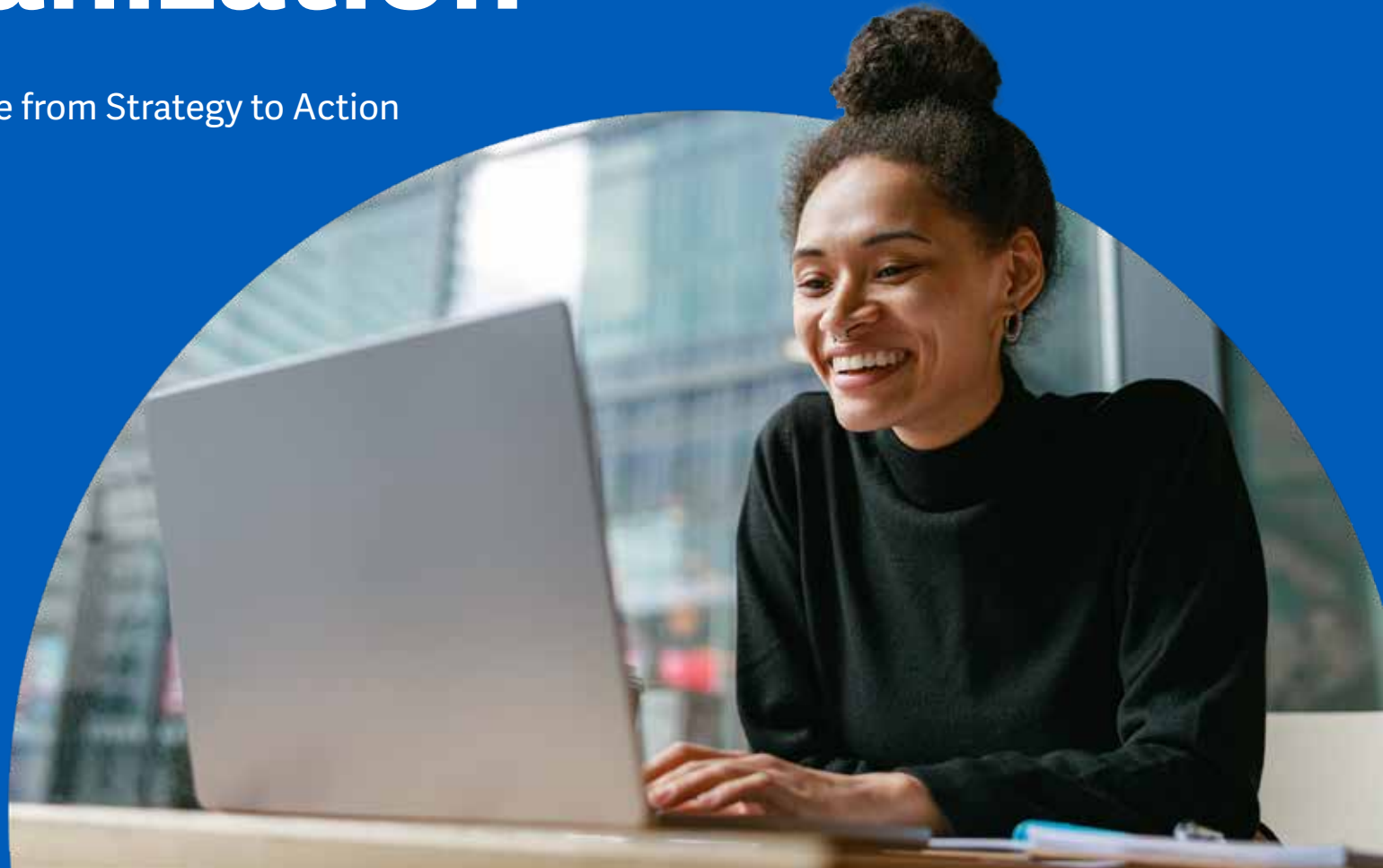


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Introduction

Evolving talent challenges to digital transformation.

The world of work as we once knew it no longer exists. Economic pressures, shifts in employment trends triggered by the pandemic, and the ongoing talent crunch make IT recruitment and staffing a challenge. At the same time, emerging technology and rapidly evolving operating models create the need for more full-stack developers, while AI and machine learning (ML) solutions require entirely new skill sets. In fact, experts anticipate that 85% of the jobs that will be available in 2030 haven't even been invented yet.¹

The rapid pace of change makes one thing clear: IT leaders must understand and address the growing IT skills gap to remain relevant and competitive in today's marketplace.



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To help prepare for the jobs of tomorrow, it's imperative for organizations to adopt a skills-based mindset driven by the power of artificial intelligence and machine learning.

Aneel Bhusri
Co-Founder, Co-CEO, and Chair, Workday

The skills gap is real.

IDC suggests that digital transformation-related IT skill shortages will affect 90% of organizations by 2025, costing \$6.5 trillion globally through the year due to delayed product releases, reduced customer satisfaction, and loss of business.²

If a lack of skills is impacting your organization, you're not alone. Consider these IDC findings on how a lack of skills impacts organizations:³



Thankfully, there is a solution: IT leaders must invest in their people. To navigate the speed and scale of this new reality, and to help prepare for the jobs of tomorrow, organizations must adopt a skills-based strategy.

A skills-based strategy can help IT organizations overcome workforce and skills shortages, raise productivity, create incentives and a workplace culture that attracts and retains new talent, and future-proof the entire operation so that it will always meet evolving market demands.

The business case for a skills-based strategy.

The right skills strategy will attract qualified talent from the outside and bring forth the latent talent from within your organization, while also increasing the retention of high-performing talent and scarce skills. Consider a few of the benefits of a skills-based strategy:

For the business:

- **An agile workforce:** IT workers are ready to adapt and respond to changing business needs.
- **Increased customer satisfaction:** Engaged, competent workers believe in their work, leading to more satisfied customers.
- **Faster implementation:** Digital transformation and adoption of cloud operating models are accelerated.
- **Better results:** Skilled workers produce faster results in development and implementation.
- **Reduced risks:** AI can augment human capabilities, enabling workers to identify anomalies and risks earlier so leaders can make better decisions, faster.

For employees:

- **Improves retention:** Upskilling ensures employees' skill sets won't become obsolete.
- **Boosts morale:** Invested employees are happy employees.
- **Increases engagement:** Employees who have opportunities to grow their skills become more engaged.
- **Attracts new talent:** Happy, engaged workers are more likely to recommend your company to their peers.

Furthermore, in today's economy, CIOs and CEOs acknowledge that hiring externally can be more than six times more expensive than building skills from within.⁴ At the same time, 98% of workers report that they are more likely to recommend employers that enable continuous learning.⁵

When continuous learning programs are underpinned by a clear understanding of workforce upskilling requirements, and training is tailored accordingly, recruiting and retention get a lot easier. A skills-based strategy makes this possible.

A skills-based strategy enables and empowers organizations, business technologists, and citizen developers by identifying and matching skills with opportunities for innovation; all while ensuring that required guardrails such as compliance and security are in place. In this way, organizations can move faster, reduce technical debt, and adapt more quickly to changing business requirements.





So, what's holding your organization back?

Workday has identified three key challenges holding IT leaders back:

1

Inability to accurately identify and assess existing IT skills gaps.

Many organizations struggle to accurately assess their true level of existing IT skills. But this is a critical first step for CIOs to make strategic talent decisions. Without clarity, IT leaders can't plan with confidence. Building meaningful training programs that align with business needs is also difficult if you don't understand how current skill levels correspond to business needs. As a result, a gap often exists between leadership's vision for skills and the reality of their current skills strategy.

2

Lack of a personalized, actionable career journey to guide the execution of an IT skills strategy.

IT skills-based strategies often fail due to the inability of skills data to be accessed and actioned in an intuitive and personalized manner that fills skills gaps through learning, mentoring, or job opportunities.

3

No trustworthy and data-rich foundation for IT skills growth.

The foundation for a successful skills strategy depends on the ability to trust the underlying security, data, and associated insights. Without this, end-user adoption of skills and talent-based applications will quickly become compromised.

If you can't trust your data, how can you trust your decisions?

Thankfully, IT leaders can address these challenges by making a few shifts in their approach. We've developed the following three-step framework to help organizations move forward with building their skills-based talent strategy.

Step 1. Identify and assess existing IT skills to establish a trusted data foundation.

To achieve comprehensive and successful IT skills transformation, leaders must first identify and assess existing IT skills from internal and external sources. To do this, the organization must collect IT skills data from across the organization to be compiled, standardized, and enriched into a single source of truth. Only then can organizations leverage AI to help interpret data, extract hidden insights, and provide specific recommendations to address IT skills gaps and challenges.

Once this skills data is organized into a single source of truth and gaps are identified, IT leaders can more effectively develop plans to fill those gaps, prepare for future projects, shift priorities, and direct resources to address changing business priorities.

To accomplish this, IT leaders must leverage AI technology to accurately map skills needs to existing skills across teams, according to the following steps:



Assess and analyze IT skills gaps:

The pace of technological change means that digital skills gaps can emerge quickly and unexpectedly. Therefore, CIOs must be vigilant and proactive in monitoring and assessing the skill sets of their employees.



Assess scale and speed of skills data processing:

Skills data is often vast and varied, so native AI is required to process and connect it and enable the business to understand the relationship between skills data in real time, identify gaps, and map them to a skills-centric workforce at scale. The challenge for CIOs is identifying which IT skills align with the organization's strategic goals and objectives. To do this, skills mapping must be accurate, current, and responsive to changing business needs.



With greater agility, clarity, and easy access to data across our business units around the world, the HR organization is now operating closer to the business than ever before. As a result, we're empowered to facilitate and make better data-driven decisions.

Lynn Van Oossanen

Senior Manager IT Solution and Transformation,
Ferring Pharmaceuticals



Step 2. Build and implement your digital skills strategy.

Once you have assessed your organization for IT skills gaps based on reliable data, it's time to take appropriate and effective steps to address talent shortages.

To do this, organizations must align IT skills data to individual roles. This involves identifying the specific IT skills required for each strategic role within the organization. This can be challenging when roles and responsibilities change rapidly, making a single source of skills truth absolutely necessary.

Organizations must also ensure that the IT skills data identified aligns with business objectives. IT leaders should assess if identified IT skills align with the organization's strategic goals and objectives. This requires a deep understanding of the business and its requirements but also of the skills within the organization.

The role of business technologists and citizen developers.

In today's digital age, technology work is undergoing large-scale democratization. The responsibility, tools, and accountability for building digital capabilities no longer resides solely in the hands of IT leaders. So, when IT skills gaps are identified, leadership should look *within* the organization, but also outside of traditional IT roles, to fill them.

With the right tools in place, business technologists and citizen developers can be deployed to build technology or analytics capabilities for internal and external business use. For instance, Workday Extend expands the skills and capabilities of your existing workforce, enabling internal technologists and non-professional developers to automate processes through its low-code/no-code product feature.

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Everything we do at MSD is based on Science. Clearly seeing everyone's skills mapped to our 5,000 roles will deliver massive benefits across all our global HR workflows.

Eric Ervin

Executive Director, HR Technology Solutions and Strategy, MSD



Step 3. Power your skills strategy with responsible AI built into your HCM platform.

AI-driven upskilling is clearly part of the future of work. But organizations must first acquire the skills needed to leverage tools that harness the power of AI.

Workday Skills Cloud is native to the Workday Human Capital Management (HCM) platform, naturally extending to many Workday applications that use employee skills data. This enables CIOs to identify existing IT skills and gaps and to address the complex issues associated with skills data integration and orchestration. Creating a single source of truth about skills data allows CIOs to identify the specific IT skills required for each role within their organization and map back to the appropriate employee to spot both gaps and opportunities.

With Workday AI at the core, the Workday skills experience is personalized and intuitive. It enables CHROs and CIOs to close talent gaps by connecting employees with targeted development and growth opportunities. These experiences improve retention through internal talent mobility by leveraging AI to suggest opportunities such as relevant learning, roles, mentorships, stretch projects, and gigs.

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Workday creates a single front door so employees know where to go to find career or learning opportunities.

Dalia Kendik

Head of Digital Human Resources, Thomson Reuters

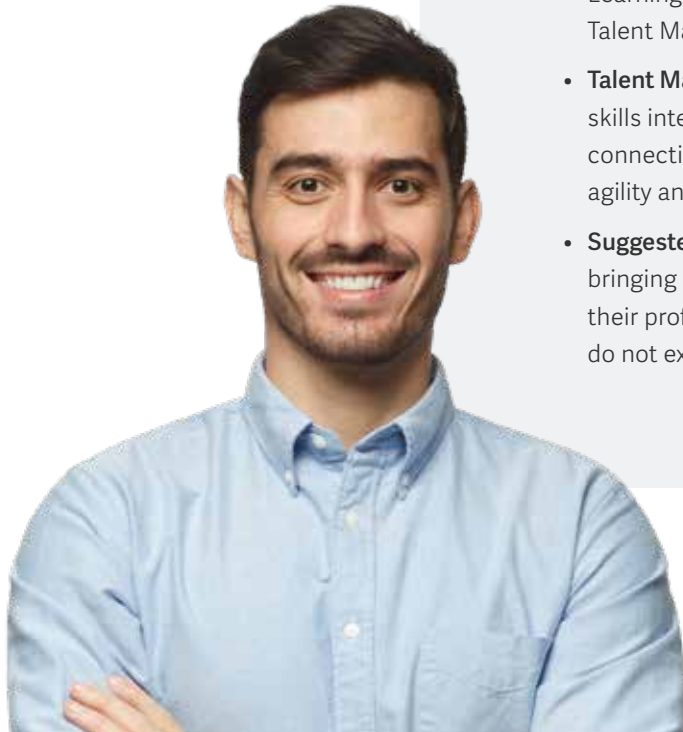


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Workday Skills Cloud is a great foundation on a familiar platform that sets RAC up for a skills-based approach. We plan to use Workday Skills Cloud to identify gaps, guide development conversations, and help people develop the skills they need for future career opportunities.

Alisa Sayer

General Manager, Organisation Solutions,
RAC



With Workday, leaders and employees benefit from features such as:

- **Actionable and integrated employee experiences:** With skills data from both Workday and external applications, organizations can connect workers with tailored opportunities generated by AI and ML—such as projects, gigs, new roles, and more—to deliver more personalized experiences and help nurture career growth.
- **Productivity gains through embedded AI and ML:** Workday takes a platform-first approach that embeds AI and ML into the very core of the technology platform. This augments employee capabilities by reducing redundant tasks and allowing them to work on higher-value tasks.
- **Personalized career journeys for IT:** Focused on a person’s career journey, AI and ML provide personalized recommendations for tasks and content based on the worker’s existing skill set and desired career path. They are also used to recommend different ways in which a person can gain new—or augment existing—skills to help them advance in their career journey.
- **Personalized learning recommendations for IT:** Workday Learning provides AI-generated recommendations on the learner’s dashboard that are relevant to their saved skill interests. Learners’ personalized learning recommendations are based on their learning history and those of other workers with similar profiles. Learning recommendations are also shown across Workday in Career Hub, Talent Marketplace, and Opportunity Graph to surface curated content at the moment of need.
- **Talent Marketplace:** Workers update their skills, set a career focus, identify interesting job roles and skills interests, and indicate gig availability. Workers are provided AI-driven suggestions for mentors, connections, gigs, and learning according to their skills, role, and interests, enabling greater organizational agility and promoting employee growth and internal mobility.
- **Suggested skills for IT workers:** Workday AI suggests skills to a worker based on their profile data, bringing consistency to data and efficiency through automation. This is designed to help workers keep their profile skills up-to-date, as well as help employers understand what skills a worker has, even if they do not explicitly add them to their profile.

How Workday ensures optimal skills enablement.

From ingestion to deployment, Workday enables CIOs to operationalize data through a robust, consistent, and secure approach applied to all data in Workday. The Workday technology platform provides deep learnings and insights into what is working, as well as areas for improvement. With Workday HCM, custom reports and dashboards can be built to better understand the current landscape within your organization.

Here a few ways to leverage Workday applications to solve your skills gap challenges:

- **IT skills inference and matching:** [Workday Skills Cloud](#) brings structure to traditionally unstructured data and enables skills-based matching of people to jobs and work. Skills inference leverages all the rich data in Workday to infer skills that a worker may have, as well as provide skills suggestions.
- **IT skills analytics and dashboards:** [Workday People Analytics](#) provides insight into skills adoption, skills acquired and lost, and how a worker's skills compare to those needed for their role. With the skills topic feature in Workday People Analytics, leaders can gain additional skills insights specific to trends, gaps, and supply and demand. This helps CIOs prioritize plans for training and development initiatives, including recruitment and retention.
- **IT skills data interoperability:** [Workday Skills Cloud](#) normalizes skills data from external sources and relates that data to other skills—even when multiple definitions of skills exist—and securely integrates skills data from multiple external sources into the Workday technology platform. Users can export skill-level data from Workday to external systems, depending on how that external system ingests skills data.
- **Unifying skills data where Workday AI resides:** IT doesn't need to manage a separate [Workday AI](#) stack or data integrations, freeing up IT resources to focus on other key business transformation initiatives. Our approach to skills is designed to be flexible, scalable, and responsive to changing business needs thus making it an effective tool for CIOs looking to close the digital talent gap.
- **Alleviate IT skills gaps with low-code and no-code tools:** [Workday Extend](#) empowers business technologists and citizen developers to partner with IT to build new Workday apps and experiences on the Workday platform.

[Explore how Workday can be an asset to your business outcomes by scheduling time with our team of experts.](#)



Sources

¹ Dell Technologies, "Realizing 2030: A Divided Vision of the Future"; n.d.

² IDC, "Future of Work Global Survey"; 2022.

³ IDC, "IDC FutureScape: Worldwide Future of Work 2022 Predictions"; Amy Loomis, et al; 2021.

⁴ Harvard Business Review, "What Would It Take To Reskill Entire Industries?"; Anand Chopra-McGowan and Srinivas B. Reddy; 2020.

⁵ Accenture, "Care to do better"; 2020.



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