City&Guilds

Is it time to become a
skills-based organisation?

What every organisation needs to know about embracing a skills-based approach

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Introduction

If you work in Human Resources (HR), you'd need to have been buried under a rock – or a mountain of performance appraisal forms – to avoid discussion of skills-based organisations. The concept has become a boardroom buzzword: Deloitte research reported that 'approximately 90% of execs said they are actively experimenting with a skills-based approach'.[1]

Energised by this executive interest, HR and Learning and Development (L&D) teams are reviewing processes, fast-tracking skills initiatives and considering how their existing ways of working align with the skills-based organisation ethos.

The reasons for the interest are easy to see. Influential commentators and consultants have hailed skills-based organisations as a solution to many of today's business challenges. The approach offers a route to broaden the talent pool and make better use of the existing workforce, improving individuals' skills and, crucially, the internal visibility of those skills.

> *'Skills-based organizations are 79% more likely to provide a positive workforce experience and 63% more likely to achieve results.'*
>
> **Deloitte (2024)[2]**

It also promises to increase organisational agility, by making it easier to pull together the right teams to capitalise swiftly on new opportunities, and to help respond to defining changes like the rise of artificial intelligence (AI).

Above all, the skills-based organisation is seen as a framework for improving productivity and driving growth.

> *'… over 9 in 10 (91%) of CEOs identify building their workforce's skills as crucial for boosting productivity'.*
>
> **City & Guilds (2024)[3]**

But for all the interest in the concept, there's also a lot of confusion and scepticism. For many, that starts with uncertainty about what being a skills-based organisation really means. Then there are the practical questions: is it right for us? How do we become one? And will it require a radical restructure and the development of wholly new working practices, or is there a middle ground?

This guide draws on expert views and input from employer organisations to answer these key questions, sharing success stories and setting out a series of practical steps that organisations can take to develop and embed a skills-based approach.

Grounded in realism, it doesn't offer a quick fix or promise a simple transformation. But it shows how embracing a skills-based approach can not only help nurture a culture of learning; it may also be essential to survival in the changing world of work.

[1] Deloitte Perspectives (2024) 'Transforming Finance Talent for the Future'
[2] Deloitte (2024) 'Becoming an AI-enabled, skills-based organization'
[3] City & Guilds (2024) 'Making Skills Work: The Path to Solving the Productivity Crisis'

What do we mean by skills?

A key challenge in implementing skills-based approaches is that there is no consistent definition of what a skill is.

As the trusted global skills partner, we define skills as **what people can learn, develop, apply and refine, to enhance their effectiveness and progression in their career**.

These skills can be technical ('hard' skills) or they can be durable ('soft' skills). Skills can typically be assessed in some way.

When skills are combined with a person's knowledge, behaviours and values, they provide a holistic view of an employee's capabilities – what they can and do bring to an organisation.

The challenge:
building the right workforce for a changing world of work

Every employer knows the nature of work is changing. Recent years have seen a substantial shift in where we work and what we can do from home or in the field. The rapid rise of AI is now set to streamline countless tasks and render others obsolete. Many traditional roles are being reimagined as green jobs, where they contribute to net zero ambitions.

As work itself changes, so do the skills that organisations need. But even if they have a clear picture of what those skills are, few organisations currently have them all or even have clear routes to accessing them. While recruitment is part of the solution, it is expensive, especially as demand for these newer skills outweighs supply.

At least part of the answer to building the right workforce for this evolving world must therefore lie in upskilling and reskilling, challenging and supporting an ageing workforce to develop the skills the organisation knows it needs – many of which are an evolution of what they currently do.

> *'Though it will vary by role and by sector, over time we expect to see impacts from AI and automation across broad swathes of the economy, creating both opportunities and threats. The key through all of this is effective, high-quality training to ensure individuals can gain and demonstrate they have the skills to operate in the changing work environment.'*
>
> **Andy Moss, Chief Customer Officer, City & Guilds**

Crucially, however, this cannot be seen as a one-off change. The skills required tomorrow may themselves be outdated in a few years. Boston Consulting Group has reported that the average half-life of skills is now less than five years – and in some tech fields, it's half of that.[4]

This means that the change required is not just about skills but about attitudes and behaviours. There needs to be an understanding that people will need to keep adapting: a new flexibility built on a culture of continuous learning.

This recognition is at the heart of why leading voices have identified the skills-based organisation model as a solution. But what does this really mean?

> *'Roles are evolving quickly and job descriptions can be too rigid. A skills-based approach enables rapid talent redeployment by focusing on what people can or could do, rather than the roles they currently hold.'*
>
> **Caroline Taylor, Managing Director, The Oxford Group, a part of City & Guilds**

[4] Boston Consulting Group (2023) 'Reskilling for a Rapidly Changing World'

What actually is a *skills-based organisation?*

Every organisation is skills-based to some degree, so what's different about this concept?

Skills-based deployment

The common understanding is that a skills-based organisation is one that prioritises skills over traditional job titles. Instead of relying on purely role-based structures, with limited entry routes and narrow career pathways, the organisation – and its managers and leaders – focus on what people can do and the skills they have as the basis for managing them, in line with business needs.

That then feeds into the way work is allocated. In a truly skills-based organisation, individuals are constantly deployed and redeployed to projects based on their skills, in a highly fluid approach designed to bring together the colleagues best suited to each task, regardless of their official job titles or duties. Ad hoc project teams replace more conventional functional and departmental models.

To some, this may sound exciting; a chance to grow and not become stale. To many, however, it's slightly daunting, unanchoring them from the security and certainty of regular roles and trusted teams.

The idea of allocating the right person to the right task, based on knowledge of what skills they have, may sound like business as usual in the small and medium-sized enterprises (SME) world. But for larger organisations, the thought of such a comprehensive transformation of their structures and processes sounds challenging and costly.

This uncertainty is not helped by the language used by the more evangelical proponents of skills-based work allocation. Terms such as an 'internal gig economy' immediately suggest impermanence and a lack of job security. So, to help clarify matters, and offer some reassurance, let's break the skills-based organisation concept down a little.

Skills-based hiring

For many, the entry point to the skills-based organisation idea was skills-based hiring: a change in recruitment practice where the focus is on whether applicants can demonstrate they have the skills needed for a job.

To this end, many employers no longer request evidence of degrees or qualifications as part of the application process. Some actively remove such details from CVs before they are evaluated. The intent is to reduce conscious or unconscious bias. It is aligned with other steps to improve equality and diversity in recruitment and widen the talent pool.

> *'Adopting a skills-based approach could introduce organizations to an untapped talent pool of workers who are STARs (skilled through alternative routes).'*
>
> **McKinsey (2023)[5]**

For this approach to work, organisations must determine what skills they need before advertising roles and consider how they will validate those skills in the recruitment process.

A shift in this direction is demonstrably underway, with organisations seeking evidence of job-specific skills in the hiring process. That could be through prior accreditation or some form of assessment as part of the interview. In its 2025 Future of Jobs Report, the World Economic Forum (WEF) commented that 'Only 4% of companies report that they do not assess the skills of prospective employees, highlighting that skills evaluation is almost universal across industries'.[6]

However, Gillian Pillans, Research Director at the Corporate Research Forum (CRF), observed that the evidence they have seen 'suggests that true skills-based hiring is very limited in terms of its proliferation'. This is supported by the WEF's further finding that 'work experience continues to be the most common assessment mechanism in hiring processes, with 81% of businesses expecting to continue to rely on it over the 2025–2030 period.'

While focusing on experience represents a move away from credentials like university degrees – a key point in widening the talent pool – it remains a curb on more innovative hiring. It is essentially rooted in the assumption that the candidates with the right skills will be those who have worked in relevant-sounding roles in the same, or a similar, sector. Those who have acquired skills via a different route are excluded, whether intentionally or not. A truly skills-based approach to recruitment would address this.

Nonetheless, organisations that are accustomed to looking at the skills needed for a role when recruiting have a solid starting point for extending the same approach to other aspects of their people processes.

[5] McKinsey (2023) 'Employee development: A skills-based approach'
[6] World Economic Forum (2025) 'The Future of Jobs Report 2025'

Beyond recruitment: joining up people and strategy

The extension of a skills-based approach across the whole of workforce planning and management is a key differentiator between a skills-based organisation and one that simply adopts a more progressive method of hiring.

In a skills-based organisation, skills are at the centre of not just the organisation's people strategy, but its whole business strategy.

There is deeper insight into the skills employees have and greater clarity about the skills sought in each role. These can then be matched together to inform workforce and succession planning at the organisational level, and performance management and personalised learning at an individual level. An employee seeking to progress can clearly see what skills and knowledge they need to develop. As well as facilitating internal mobility, this approach builds a stronger culture of learning, with engaged employees who readily see the relevance of skills development programmes.

But there's a further, vital dimension that marks the skills-based organisation out: the alignment between skills and the business strategy.

'For most businesses today, workforce planning is still pretty traditional and assumes a static skills taxonomy. The approach tends to be informed by defined and perhaps outdated job descriptions and is reactive to emerging skills needs – typically by hiring from outside for new expertise, with training often taking a back seat. In a skills-based organisation, that script is flipped. The focus shifts to the capabilities the business needs, roles become more fluid, forward-looking and future-proofed, with proactive staff development positioned right at the centre of the planning.'

Mark Cameron, CEO, The 5% Club

As explored earlier, the changing world of work means organisations need different skills to compete and grow. The exact skills mix required will be determined by the business strategy. By joining up the two, an organisation can then explore the best routes to acquire, develop, maximise and retain the skills it needs. The result is not only more relevant and valued L&D programmes, but more importantly a workforce that is better equipped to deliver on the organisational strategy.

Put like that, the concept of a skills-based organisation no longer seems so daunting, nor such a novelty.

'The idea of a skills-based organisation isn't necessarily new. It's been around in various forms for decades, often under different guises like competency frameworks, talent marketplaces or agile workforce planning. But while the concept isn't new, the conditions for its success – tech, urgency and mindset – are aligning in a way that makes it feel fresh and actionable.'

Caroline Taylor, The Oxford Group

Whether your ambition is to become a fully skills-based organisation, or just adopt an increasingly skills-based approach, the case for doing so is almost inarguable. Who would not logically want to align their people processes, including L&D, with their business strategy? The next section of this guide explores some key steps to achieving this.

Ten steps to embracing a skills-based approach

Our view on the skills-based organisation debate is clear. The benefits of closer alignment between skills and the business strategy are inarguable. But you don't have to rip up your entire organisational chart or abandon job titles to gain from a skills-based approach.

While that may fit some organisations – such as consultancies where work is project-based and the workforce are accustomed to that level of fluidity – many organisations will be better served by a gradual approach, which builds agility and nurtures a culture of learning.

From our analysis and discussions, we have identified 10 steps to embrace a skills-based approach. In the following sections, we explain more about them.

1. Ensure skills are on the leadership agenda

2. Establish what skills you need today and tomorrow

3. Get a skills baseline

4. Align skills needs with roles and functions

5. Review your existing training offer

6. Be transparent

7. Put skills to work quickly

8. Recognise learning

9. Connect different steps into a cohesive approach

10. Start small and think long-term

1. Ensure skills are on the leadership agenda

If your organisation's leaders aren't already thinking about skills, the question is why not? Attuned leaders are actively looking to future-proof their organisations in response to the changing nature of work. This has created an environment where there is greater openness to the need to focus on skills.

In turn, this provides an opportunity for HR and L&D professionals to engage leaders in discussions around organisational strategy – crucial for skills alignment. It also allows HR/L&D to emphasise the role leadership has to play in creating the right culture: one where the organisation demonstrably values and invests in the specific skills needed to deliver the strategy, and in building resilience and adaptability.

'In a skills-centric organisation, learning isn't an afterthought: it's built into the job. The biggest hurdle is the mindset shift – getting everyone, from leadership down, to break out of the traditional static "job description" mentality and embrace a more dynamic approach to skills definition and development. It requires a cultural change where learning, role adaptability and non-linear progression become the norm, and that takes time and consistent leadership support.'

Mark Cameron, The 5% Club

This goes beyond board level: it must be embedded into management practice at all levels. Line managers need to understand the role of skills in the organisational strategy, so they can be supportive of skills development, open-minded about recruitment and retraining, and provide the day-to-day performance coaching that will enable the organisation to have the skills it needs.

A crucial step is therefore investing in leadership and management training – something that UK businesses prioritise less than G7 counterparts.[7]

'Good leadership is always essential – is there a well-defined, communicated and understood strategy? Are leaders having good conversations with people within their teams about where their roles are going and how that aligns with progression within the business? Whether you want to be skills-based or not, investing in leadership is crucial.'

Gillian Pillans, CRF

[7] Be The Business (2023) 'The G7 Productive Business Index'

2.

Establish what skills you need today and tomorrow

Becoming skills-based involves more than a focus on skills: it's about developing and retaining the **right** skills to meet current operational needs and deliver on the future strategy. Having conversations with leaders provides an entry point to this, but the analysis needs to be more robust. What is the work you are currently doing? What is the work you want to be doing?

Perhaps building on a SWOT-style approach, identify the skills you need to continue to thrive in your core business. Then look at the growth opportunities and assess whether you currently have sufficient skills to seize them.

'The four most common reasons staff training budget requests are rejected are:

1. *Training requested doesn't address the key problems the business needs to address.*

2. *Training requested is not aligned with the priorities of other departments (Finance, Legal, HR, Technology, etc).*

3. *No clear alignment with the overall business strategy.*

4. *Low or no confidence in return on investment.'*

City & Guilds (2023)[8]

As a simple illustration, if the strategy means the organisation needs to be able to respond faster to tenders then relevant skills might include solution design, accurate cost estimating and bid writing. And if the aim is to respond to multiple tenders at the same time, then several people will need to have such skills.

'The discussion should start with "what do we as a business need to achieve?" – what are our key objectives, strategy, deliverables? Then play that out into people processes. Skills can be mapped onto that – what outcomes do we need to deliver and what skills do we need to achieve that?'

Gillian Pillans, CRF

[8] City & Guilds (2023) 'Training Trends 2023'

Preparing the next generation at Smiths Detection

Smiths Detection is a global leader in threat detection and screening technologies, helping safeguard people, infrastructure and society through innovation in security and safety.

It has a highly skilled field service team, including staff stationed at customer sites to respond immediately to any faults. With many long-serving specialists approaching retirement, the business needs to train a new generation, so that it can continue to provide this essential support.

The training team spoke to the field service engineers and clients to understand what skills are needed for these roles. As Carly Spittle, Global Training Delivery Manager at Smiths Detection explains, they found that 'as well the technical skills to service and repair equipment, there were vital behaviours and personal skills involved in ensuring that engineers respond effectively and appropriately in high-pressure environments.'

The findings informed the creation of a new training programme to develop these personal skills – with experienced engineers also providing mentoring and coaching to newer team members, which will encourage the sharing of knowledge.

3. Get a skills baseline

From identifying the skills you need, the next step is to understand the skills you have. One of the terms most associated with skills-based organisations is 'skills taxonomy' – a comprehensive classification of the skills the organisation needs, aligned with tasks, roles and sometimes individuals.

But this can be an enormous task and not necessarily the right approach for all organisations. Some analysts have suggested that the average role includes at least 20 different skills; multiply that by the number of roles in the company and the scale is apparent.

'Creating a comprehensive skills taxonomy, where every skill is clearly defined, takes a long time. You spend huge amounts of time creating the taxonomy and then it's already out of date.'

Gillian Pillans, CRF

The key point is that to be skills-based, you need to be systematic about understanding the skills you have in the organisation, so you can work out where the gaps lie. Call it a taxonomy, a catalogue, an inventory or a framework: it amounts to broadly the same thing.

One practical approach may be to focus on the core skills of priority teams or functions. Start perhaps with job descriptions or duties; take data from learning management systems that track the additional training completed. Over time, this approach can build up into a more comprehensive skills taxonomy.

An alternative possibility is to use the UK Standard Skills Classification (SSC) that is being developed by the Department for Education. According to its interim report published in November 2025,[9] this now covers 3,343 separate Occupational Skills, under 22 Skill Domains. Using this model could help organisations align internal frameworks with national standards, which then also helps make skills transferrable – a benefit to both employers and employees. The Standard Skills Classification is still at a relatively early stage, but it may be a valuable starting point.

Organisations we interviewed for this guide described how they have used learning management systems and performance management tools to build a more accurate record of the skills colleagues have and to generate personalised learning recommendations. Those who are adopting the skills-based approach to work allocation also use technology to assist in matching employee skills to tasks and projects.

It is also essential to think about how you will keep your records updated, as people acquire new skills and join or leave the organisation. Today's technology, including AI, can assist with this – in fact, the availability of such tech is one reason skills-based approaches are proving more viable now than previously.

By using AI to scan systems, the task of building skills databases can be completed far more swiftly. It can also allow updating those databases to be automated or semi-automated, where there is human review or validation.

⁹ Department for Education (2025) 'UK Standard Skills Classification: interim development report'

'Organisations often invest in cataloguing skills but lack mechanisms to deploy or develop them effectively. Skills inventories become static – like the old competency frameworks of the past – rather than dynamic. New technology platforms enable real-time skills mapping, internal mobility and personalised learning pathways. These innovations make skills-based approaches operationally feasible in ways that weren't possible a decade ago.'

Caroline Taylor, The Oxford Group

IN PRACTICE

Targeted skills gap analysis at Peel Ports Group

UK port operator Peel Ports Group was acutely aware that automation, digitisation and a greater emphasis on sustainability had changed the skills demands for many teams since their initial training. So, to underpin a new learning strategy, Claire McKay, Head of Learning & Development at Peel Ports Group, instigated a skills gap analysis, piloted in three areas of the business. As well as using online data, this included focus groups and one-to-ones, which examined not only what new skills training would be beneficial, but also what barriers there are to accessing training at present.

The result was not only the development of clear role profiles, setting out the specialist skills and 'power skills' for each role, but also a sense of the teams being actively involved in the process. The benefits of this are being felt as new learning opportunities are made available and barriers to training addressed. For example, it became clear that staff who work nights were often excluded from opportunities, due to a lack of providers willing to deliver courses then.

'The response has been really positive,' Claire reflects. 'We have a strong culture of learning because of the extensive initial training we provide for safe and secure port operations. But busy workloads and practical challenges mean that many colleagues struggled to access further learning. This approach is changing that, providing relevant training in an accessible way, and the demand has been huge.'

4. Align skills needs with roles and functions

Though a purist approach to skills-based organisations might suggest that roles, as they are traditionally defined, are becoming an outdated concept, the reality is that for recruitment and progression, some structures are required. People need to be able to apply for a job and understand what they are expected to do in it.

Our next recommended step therefore is to work out what skills are needed in each role profile – based on what skills the organisation needs. This then translates into clarity and consistency around recruitment, career pathways and strategic workforce planning. For example, if colleagues know what skills they must demonstrate to be considered for progression, they can focus their learning and development to gain and hone those skills.

Again, proportionality is key. Focus on the most important skills for each role and, especially in organisations where there are many similar roles, don't necessarily go as deep as to define individual jobs.

The opportunity for innovation here comes when you compare the skills profiles for superficially different jobs, as a route to widening the internal talent pipeline.

'If you identify an 80% skills match between, for example, an administrator and an analyst role, you have a valuable opportunity: you can train the administrator – who already understands your business and aligns with your values – to step into the harder-to-fill analyst position.'

Anthony Impey, MBE FCGI, CEO, Be the Business

IN PRACTICE

very | The Very Group

Setting people up to succeed at Very

Retailer Very is building a consistent skills framework, aligned with the Group's strategy, which simplifies hiring, personalises L&D and provides the basis for focused performance management. The result will be a clearly defined set of 10–20 skills for each role. In each case, these will be a combination of essential technical skills and soft skills. The soft skills are aligned with Very's company values.

Group Head of Talent & Development Hayley Murray acknowledges it has taken some time, but they are now able to use these outlined skills to help colleagues shape their career path. The company has also integrated these skills profiles with learning outcomes, tracked through people management software and LinkedIn Learning, to keep an up-to-date record of what modules colleagues have completed. That feeds into individual development goals, with progress tracked alongside performance goals at biannual reviews and linked into the company reward programme. The aim, Hayley explains, is 'setting people up to succeed.'

The approach is also being welcomed by managers, who benefit from the clear structure and transparency in day-to-day performance management and when it comes to reviews and recruitment conversations.

5. Review your existing training offer

Having identified the skills needed at different levels, you then have a solid foundation for evaluating your training offer in a focused way.

- Is it covering the right topics? What's missing, given the identified skills needs and organisational goals?

- Is it delivered in the right way for your existing skills base and working practices?

These are questions that L&D teams will be well-equipped to answer, differentiating between comprehensive induction training or apprenticeships that are so valuable for developing the skills of new entrants, and the training that might be relevant to more experienced colleagues. Research by Skills England found that in areas where employees are likely to already have some skills and knowledge, employer organisations would like to see concise and focused programmes.

'Develop "bolt-on" training to supplement prior learning and attainment particularly across AI and digital skill areas and in transferable skills such as management and leadership to drive growth across priority sectors.'

Skills England (2025)[10]

A common challenge is to find the right balance between in-house programmes and external courses or qualifications – particularly where more bespoke training does not typically result in the formal recognition that colleagues often desire.

'Organisations need to focus on faster updates to the curriculum to reflect the pace and scale of change, and on robust forms of assessment to measure and demonstrate competency, backed by trusted credentials. The benefits of this are clear: learners can be confident that the skills they're gaining will allow them to progress in their careers, and employers can be confident that colleagues can work safely and productively in their roles.'

Andy Moss, City & Guilds

[10] Skills England (2025) 'Sector evidence on the growth and skills offer'

6.

Be transparent

Clear role profiles make it easier to be transparent about the skills the organisation is seeking and the performance it is expecting at each level. This then gives individuals the insight they need to decide what path they wish to take.

But the evolving landscape creates a bigger challenge: the need to be transparent about the gap between the skills of today and the requirements of tomorrow – and how that will impact people.

> *'If the world's workforce was made up of 100 people, 59 would need training by 2030. Of these, employers foresee that 29 could be upskilled in their current roles and 19 could be upskilled and redeployed elsewhere within their organization. However, 11 would be unlikely to receive the reskilling or upskilling needed, leaving their employment prospects increasingly at risk.'*
>
> **WEF (2025)[11]**

This is a difficult message to convey. But if people understand that their current skills will be needed less in the future, and that their employer has identified what skills will be required, it allows them to make informed choices about learning, reskilling and career planning.

This can be reinforced by being transparent about the support on offer: not just the learning opportunities but also the organisation's commitment to helping trusted employees to upskill and reskill.

> *'The skills-based approach naturally puts reskilling on an equal footing with upskilling because you're looking at your talent pool in terms of skill gaps and potential, not just job titles. For example, instead of letting an employee go when their role evolves or becomes obsolete, you might retrain them for a different role that's in demand, building on essential, transferable skills – a win-win for both the employee and the company. We encourage the mindset where moving into a new role via reskilling isn't seen as a setback; it's increasingly the norm and just another way to grow and progress.'*
>
> **Mark Cameron, The 5% Club**

[11] World Economic Forum (2025) 'The Future of Jobs Report 2025'

7. Put skills to work quickly

One common attribute of organisations that have adopted a skills-based approach is that they find ways for their people to put newly acquired skills to work quickly. This has multiple benefits.

Firstly, it means learning is consolidated in a real-world setting, the benefits of which are well-established. At the same time, it encourages take-up of future learning opportunities, as they have a direct relevance to the individual's work.

Further, from the L&D team perspective, quick and direct application of skills demonstrates the impact that programmes are having – and how they are supporting the organisational strategy – in a far more comprehensive way than a post-course survey. Was the new learner confident in applying the skills? Did putting the skills to work reveal any gaps in the training?

The aim of swift application of skills has some implications for training delivery, particularly when an organisation is moving into new areas where the initial demand is likely to be low. Training an entire installation team on a new green alternative may seem the most equitable answer, but it could be less effective if it means that many of them will have to wait several months until they have a chance to put their newly acquired skills into practice. As part of the strategic approach to such service launches, it may well be better to train a small team initially. They can then become in-house experts through delivering the service.

8. Recognise learning

One of the biggest frustrations for L&D teams is that learning is often treated as less important than day-to-day delivery. In a skills-based approach, this **must** change, so the business can build up the skills that have been identified as strategically necessary.

To drive this change, learning should be incentivised through the performance management process – something done by several of the organisations we spoke to. But as well as setting learning targets that are aligned in some way to roles and organisational strategy, it's important that individuals can follow their own learning paths.

Once you have clarity about the skills needed in distinct roles, your people can choose personalised learning journeys that support their ambitions and could drive upskilling, reskilling and internal mobility. This can be helpfully backed by investing in programmes that lead to relevant accreditation – benefiting both the individual and the organisation.

Taking this broader perspective also offers opportunities to track impact, beyond pure learning attendance and completion data, into other valuable and strategic outcomes. For example, organisations can see whether strategic skills needs are being met and gaps filled by monitoring internal progression pathways.

> *'Skills are empowering: ultimately, skills change lives for the better, helping people to gain meaningful employment and progress throughout their working lives. The language we use should convey this sense of opportunity, but it also needs to be backed by action – ensuring the systems and processes are in place to enable employees to gain the skills they need to succeed and progress.'*
>
> **Andy Moss, City & Guilds**

IN PRACTICE

IBM

IBM's culture of learning

Few organisations have as deep-rooted a culture of learning as IBM, where the well-established THINK40 programme requires all employees to complete at least 40 hours of skills development a year; a target most employees comfortably exceed. This is tracked through performance reviews, while mentors and coaches, like John Griffin, Learning and Development Leader for Early Professionals, help guide colleagues towards the most relevant learning pathways from the thousands available.

As well as robust tracking of this formal learning, IBM also monitors the way employees learn by doing, particularly in its early professionals programmes. Monthly performance reviews offer John and his team the opportunity to show apprentices where they have become 'unconsciously competent': in other words, where they have developed skills through the work they are doing, without realising. This is typically based on feedback from internal and external clients and stakeholders.

Giving early professionals a greater understanding of the skills they have – and how readily they are acquired – is vital for a company where skills-based deployment to projects is the norm.

9. Connect different steps into a cohesive approach

The preceding sections have already implied this, but here we make it explicit: for the move to a skills-based approach to have credibility and impact, the steps above need to be joined up. That transforms individual skills initiatives into a cohesive strategic approach.

Such cohesion goes beyond connecting HR processes – like using client feedback to evidence someone's skills or linking performance reviews with the learning management system – towards a broader prioritisation of the skills-based approach across the organisation.

So, for instance, all hiring managers need to develop an understanding of what skills-based recruitment means. That way, they should be open to candidates who can demonstrate they have the skills aligned with a role, even if they don't have the experience the manager might normally seek.

At the same time, colleagues with relevant skills should be encouraged and supported by their line managers to look for wider opportunities within the organisation.

The outcome is that skills become a common 'currency' in people management at all levels and the value of learning is constantly reinforced.

IN PRACTICE

★ PRET ★

How Pret's joined-up approach demonstrates ROI

When I hear L&D professionals saying that their work isn't valued by leaders, I think "why don't you show them?" It's part of our job to tell the business why what we deliver is so important.' That's the view of Daksha Stancilas, Learning & Development Manager at Pret A Manger – and she has a host of KPIs on hand to support her.

80% of Pret's General Managers started as team members, which clearly demonstrates the effectiveness of the L&D offer, as does Pret's high retention rate. Those managers themselves then track the performance of their teams in shops, with access to data showing individual productivity and various KPI metrics. If further support is required, the L&D team are available as subject matter experts to support with interventions. At the centre, this combines to provide a clear picture of the total impact of barista training on speed of service, quality and customer satisfaction – exactly what Pret prides itself on.

Daksha concludes: 'We can clearly demonstrate that without key knowledge, behaviours and skills, our teams would not be set for success. The Pret Academy's role is key to ensuring our teams are ready.'

10. Start small and think long-term

Transformation to becoming a fully skills-based organisation is a major shift. It will take considerable time and resource. There are myriad processes to review, to understand how they can be adapted to a skills-based way of working. Depending on the size of the business, there are tens or hundreds of roles to profile, and even more individuals to assess. By the time the skills mapping is complete, employees will have joined, left and acquired new skills. Even more significantly, the strategic skills needs may have already evolved.

The employers where a skills-based approach appears to be bearing most fruit are those that haven't sought to achieve all of this at once. Instead, they've focused on specific functions, roles or locations to start the process, learning what works as they go and demonstrating successes.

This not only makes the initial task manageable but also means there is scope to monitor changes in the employee skills base and keep it updated – so it remains valuable and relevant, whatever the long-term goal.

'Start small with pilot initiatives, use data for skills mapping, engage employees who are closer to the tasks and skills needed, partner with experts, be willing to let go and try new things.'

Caroline Taylor, The Oxford Group

What's next?

The argument for taking steps towards becoming a skills-based organisation is a persuasive one.

By gaining a deeper understanding of the skills within its workforce, every organisation can make better use of them. By gaining a deeper understanding of the skills the organisation needs to remain competitive and to expand into new areas, you lay the foundations for that strategic growth. And by focusing your people management processes on developing the skills you need – from recruitment through performance and promotion pathways – you can build on those foundations, creating an organisation better equipped for future changes in demand and the working environment.

Whether or not you envisage progressing towards skills-based deployment and more radical changes to your structure, all these steps to becoming more skills-based make strategic and commercial sense. They lead to increased resilience and agility. And they provide an opportunity to create and nurture a learning culture where the impact of L&D is fully aligned with organisational goals.

For every organisation, it's clear that adopting a skills-based approach can pay dividends, both now and in the future. So, if you're not already taking steps in this direction, is it time you did?

How City & Guilds can support your journey to becoming more skills-based

We hope that the steps outlined in this guide have provided some inspiration and clarity on how you can take a more skills-based approach in your organisation.

As the global skills partner of choice, we've been at the forefront of global workforce skills development for almost 150 years.

We have a dedicated team of Skills Specialists who work with employer organisations every day, across every industry and sector.

Aligning your steps with our solutions

Ensure skills are on the leadership agenda

Step 1 – see page 10

Leadership Development
We can empower your leaders and managers through consultancy, coaching, in-house training, qualifications and apprenticeships.

Establish what skills you need today and tomorrow

Step 2 – see page 12

Training Consultancy
Our expert L&D Consultants can help you align your workforce development initiatives with your organisation's key objectives and design a training strategy to proactively address skills gaps.

Review your existing training offer

Step 5 – see page 18

Free Skills Review
In a free, informal Skills Review, our Skills Specialists discuss your current training offer and provide tailored recommendations for your organisation, aligned to your goals and future skills needs.

Recognise learning
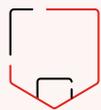
Step 8 – see page 22

Training Validation and Quality Assurance
With our Assured service, we can formally recognise employees' training achievements through branded digital credentials, helping you create a culture where learning is valued and prioritised.

We'll also ensure that L&D get the recognition they deserve, quality assuring your programmes to demonstrate that they're best in class.

Additional support

In addition to the above, we support employers with industry-leading qualifications, apprenticeship programmes, EPA and bespoke skills consultancy across all aspects of workforce development.

Talk to our Skills Specialists

Our Skills Specialists can help you identify the next steps for your skills journey. Whether you have a specific service in mind or you'd like to book your free Skills Review, let's find a time to talk.

Request a meeting at cityandguilds.com/skills-specialists.

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About City & Guilds

City & Guilds is the global skills partner, empowering people, organisations and economies to develop the skills they need for growth. With almost 150 years of trusted expertise, we support people into work, help them develop on the job and move into the next job.

We work with Governments, employers, training providers, colleges and industry stakeholders to design and deliver high-quality training, qualifications, assessments and credentials that lead to meaningful career progression. We understand the life changing link between skills development, social mobility and success. Our solutions span critical sectors including construction, engineering, transport, energy and electrical, serving over 1 million learners annually.

Through our comprehensive portfolio of brands and trusted global network, we set industry-wide standards for technical, behavioural and commercial skills to improve performance and productivity. We believe you can achieve your potential - and we're here to help make it happen.

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