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RESKILLING FOR SUSTAINABLE GROWTH IN THE GULF

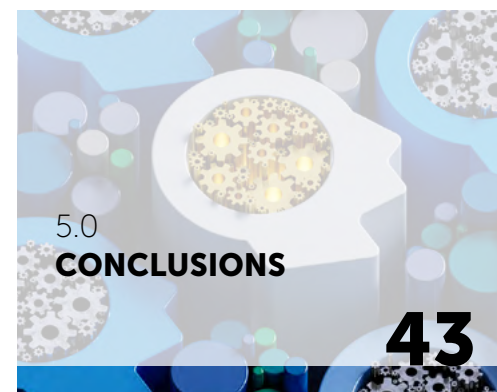
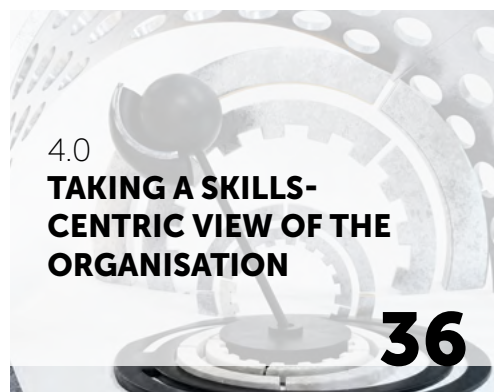
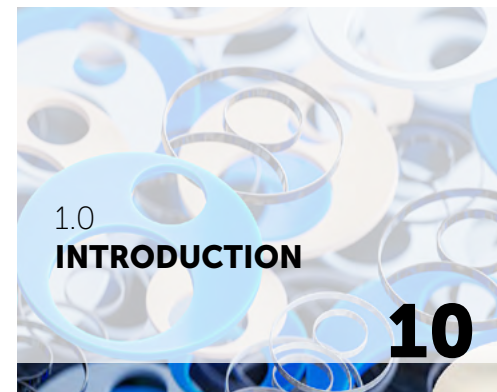
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RESKILLING FOR SUSTAINABLE GROWTH IN THE GULF

Gillian Pillans and Jo Nayler



ABOUT CRF

Founded in 1994, **Corporate Research Forum (CRF)** is a membership organisation whose purpose is to increase the effectiveness of the HR function, in order to drive sustained organisational performance, through developing the capability of HR professionals. Through more than 25 years of research and the expertise of our team, we have developed a deep understanding of the ways HR can contribute to business outcomes – what works, what doesn't, and in what circumstances. With a network of over 250 leading organisations, we continue to grow as the respected focal point and knowledge source for improving corporate and individual performance.

We support our members in enhancing their personal capabilities and building organisational effectiveness, guiding them through topics relevant to success, identifying actionable insights and practical recommendations and facilitating networking opportunities. Our work helps organisations and the HR function make sense of the environment in which they operate, and develop capacity to deal with continuous uncertainty.

For more details on how your organisation can benefit from CRF membership please contact Richard Hargreaves, Managing Director, at richard@crforum.co.uk. Alternatively, please visit our website at www.crforum.co.uk.

ABOUT THE AUTHORS



GILLIAN PILLANS is Research Director and the author of over 30 CRF research reports on a wide range of strategic HR topics including HR and business strategy, leadership development, talent management, organisation development and learning. Gillian has worked as a senior HR practitioner and OD specialist for several organisations including Swiss Re, Vodafone and BAA. Prior to her HR career, she was a management consultant with Deloitte Consulting and is also a qualified solicitor.



JO NAYLER is responsible for publishing original research as well as adapting and developing CRF content for use across the website and member communications. She has worked on a range of research topics at CRF, including authoring research on team effectiveness and the changing role of HR Business Partners. Prior to joining CRF, she worked for over five years as a researcher and writer, gaining experience of a breadth of different research methods and publishing content in a variety of formats.

BTS COMMENTARY



In 2024, the workforce in the Middle East is on the cusp of a transformative shift, underscored by rapid technological advancements, a heightened sense of environmental responsibility, and evolving employee expectations. This era is setting a new paradigm for what it means to be part of a future-ready workforce, challenging HR teams to rethink strategies for talent development and engagement.

THE UPSKILLING IMPERATIVE

Firstly, the necessity for upskilling cannot be overstated. As digital transformation accelerates, we are seeing the demand for digital proficiency and digital acumen becoming paramount in both the public and private sector. For instance, a leading telecommunications company in the Middle East, in partnership with BTS, embarked on a large-scale digital acumen program aimed at equipping executive, senior and mid-level managers with the skills, capabilities and mindsets required for the company's strategic shift towards digital services. Government entities have also partnered with BTS to build digital literacy – specific to artificial intelligence (AI) – across their entities. These initiatives reflect a broader trend across the region. According to PwC, 52% of employees, compared to a global average of 36%, anticipate significant changes in their job roles requiring new skills within the next five years. The emphasis on leadership, adaptability, and digital literacy underscores the region's forward-thinking approach to workforce development.

EMBRACING ARTIFICIAL INTELLIGENCE

The attitude towards AI in the Middle East is notably optimistic. We're seeing employees that are eager to integrate AI into their work processes, seeing it as a tool to boost productivity and an opportunity for skill enhancement. This enthusiasm is supported by governments and businesses in the region adopting AI and advanced technologies, aiming to leverage these tools for innovative business models and economic growth. The belief in AI's potential to enhance workplace efficiency signals a workforce that is eager to adapt and thrive in a technologically advanced future. But achieving meaningful business impact will depend on the workforce's understanding of what the technology is, how it works, and how it can be applied practically.

RESKILLING IN AN ERA OF SHIFTING EMPLOYEE EXPECTATIONS

Many leaders we speak to reveal their struggle with encouraging employees to reskill. Yet, the readiness of workers to adapt is often underestimated – according to BCG, two-thirds of employees are already aware of the disruptions looming over their fields and are willing to reskill to stay competitively employed. However, reskilling efforts cannot be discussed in isolation from the broader context of employee demands for autonomy, job fulfilment, and supportive work environments. The modern workforce is increasingly vocal about their desires for meaningful work, higher salaries, and flexible working conditions. We've noticed that the key to successfully navigating this complex terrain is a holistic approach that considers both the technical and cultural dimensions of workforce development. Organisations that respect their workers' aspirations and clearly communicate the benefits of reskilling initiatives find it easier to motivate their employees. As one of our clients put it, *"The secret to scaling up reskilling programs is to design a product your employees actually like"*. This means that reskilling programs must not only address the skills gap but also resonate with employees' expectations for autonomy, creativity, and personal growth.

A FRAMEWORK FOR SUCCESSFUL STRATEGY EXECUTION, E=AMC™

The BTS E=AMC™ framework is a useful consideration for any organisation wanting to effectively execute their strategic initiatives. The framework underscores the importance of Alignment, Mindset, and Capability in achieving strategic success. For strategies to translate into impactful actions, organisations must ensure that their teams are aligned with the strategic vision, possess the right mindset to embrace and drive change, and have the capabilities necessary to implement these strategies. Integrating the framework could prove particularly valuable in a landscape characterised by the digital, environmental and employee expectation shifts we are witnessing today, as it provides a structured approach to fostering a workforce that is adaptable, skilled, and fully engaged in the organisation's objectives.

LOOKING FORWARD

As we look to the future, change will never be as slow as it is today. It is clear that the region's workforce is on a path of rapid evolution, driven by technological innovation and a shift in employee expectations. Organisations that prioritise attractive strategic upskilling, leverage AI responsibly, and foster a culture of autonomy and fulfilment will not only attract but also retain the talent necessary to navigate the challenges and opportunities of tomorrow.

Chris Legg, Managing Director, BTS Middle East

THE OXFORD GROUP COMMENTARY



We welcome the findings of this paper which emphasises the strategic value of reskilling in fostering sustainable growth, further highlighting the need for organisations to place the reskilling agenda at the heart of their business and people strategies.

Whilst today's reskilling agenda is unique to our time and the ambitious national visions of GCC countries, we have been here before. The Oxford Group, as a City & Guilds business, is united by our purpose of helping people, organisations and economies develop their skills for growth. City & Guilds was founded in 1878 by 16 trade livery companies in the City of London, which included trades such as cloth workers, carpenters, ironmongers and goldsmiths to name a few. In the 145 years since, we have travelled through industrial and technological revolutions, at each point evolving the skills agenda to respond to ever-changing industry demand, moving from the skills needed in 1878 ironmongery through to Electronic Vehicle charging in 2024.

For over three decades, City & Guilds has been offering our qualifications throughout the Middle East through businesses and our network of Approved Centres. In 2008, City & Guilds opened its first office based in the learning hub of Dubai knowledge village. Today we have expanded into more than 13 industry sectors and 15 countries, including Bahrain, Kuwait, Qatar, Oman, Saudi Arabia and the UAE. Our support in these regions extends to vocational education consultancy, global benchmarking as well as ILM, who provide globally recognised leadership and management qualifications and recognition programmes for training providers and employers across the region.

In today's context, we believe leadership matters. At The Oxford Group, we have been supporting managers and leaders for over 35 years. How leaders show up and what they choose to focus on shapes the people experience. As this paper points out, reskilling is, in essence, a change programme in its own right, and we know that change can be emotive and requires conscious leadership.

Leaders must draw on high levels of Emotional Intelligence to build psychologically safe environments enabling deeper, more substantial career conversations where aspirations and capabilities of our people are well understood. This drives the innovation, talent mobility and skills transfer needed to realise sustainable growth in the region now and into the future.

For more information about the competencies of emotional intelligence click [here](#) to view our recent whitepaper Emotional Capital – the advanced evolution in emotional intelligence.

Caroline Taylor, Managing Director, The Oxford Group



RESKILLING FOR SUSTAINABLE GROWTH IN THE GULF



In the Gulf region, we see a strong focus on shifting away from fossil fuel economies and the development of new economic sectors (technology, tourism, renewable energy sources, education and healthcare etc.) and the ongoing drive for localisation of employment, all of which drive a need to change the mix of the workforce. Countries will also need to take imminent action if they are to meet their Net Zero or sustainability targets, and the full impact of new AI tools – increasingly placed at the centre of transformation plans in the region – is yet to be seen.



Our research identifies a strong business case for reskilling which includes reduced costs (when compared to firing and rehiring), developing a competitive advantage through building talent that is not readily available in the market, and increasing diversity through tapping into adjacent or previously overlooked talent pools. Reskilling can also increase organisational resilience, boost employee retention and increase the attractiveness of the employer brand. However, it is hard to deliver in practice and requires robust planning, investment in learning, strong commitment from business stakeholders and joined-up action across the HR function.



Reskilling needs to be determined by the business strategy, talent philosophy and strategic workforce plan, and directed towards those skills which are most strategically important for the future of the organisation. Our research highlighted some considerations which organisations report are key to successful reskilling initiatives:

EXECUTIVE SUMMARY

A DEVELOPMENTAL CULTURE

Due to the fast pace of change in the region, set learning pathways or strategies can quickly become out of date; organisations should consider identifying broad capabilities rather than creating very rigid, prescriptive development plans. Other important areas include having senior leaders who visibly and actively promote reskilling initiatives, line managers facilitating internal mobility and equipping line managers with information about reskilling initiatives.

COMMUNICATIONS AND CHANGE MANAGEMENT

Reskilling is in essence an organisational change programme. Therefore to succeed you have to apply the principles of behaviour change. Communication needs to begin with a wider dialogue with the workforce about the strategic direction of the organisation and what it means for skills and careers, highlighting future skills that will be needed and signposting ways of learning and practising new skills. It's important to start communications as early as possible and work with existing communications and employee consultation mechanisms such as works councils or employee representatives. Additionally, consider fact-to-face communication for issues which are particularly important or sensitive.

ENABLING TECHNOLOGY

The last few years have seen a major expansion of the technology available to support organisations' strategies for developing skills. Increasingly powered by artificial intelligence, the tools promise to increase the transparency of skills in the organisation, infer people's skills, recommend learning pathways and connect people with jobs and projects that enable them to develop new skills. There are currently a number of different categories of technology that can support reskilling, including digital, personalised learning platforms, talent marketplaces that allow people to access internal job opportunities, skills modelling tools and tools that infer skills or create skills taxonomies.

A big challenge is making sure that the tools are actually used by managers and employees. To ensure high user engagement, it is important to have an intuitive and user-friendly interface that mirrors the user experience individuals are used to having at home. It is also important to be clear about the use cases that the technology is there to address. This means finding solutions to issues that employees really care about, such as career progression.

JOINED-UP PRACTICE IN HR

To be successful, reskilling requires HR to act in a joined-up way. However, in our experience different parts of the HR function such as talent, L&D and career management often operate in silos. In developing a reskilling strategy, it's essential for each of the functions within HR to be aligned from the outset on the objectives of the programme and how each part of the HR function contributes.



This research also outlines how Strategic Workforce Planning (SWP) is an essential underpinning of reskilling strategies. The goal of SWP is to understand what capabilities will be needed to execute the business strategy; to work out where the gaps lie between current supply and future demand; and, most importantly, to build action plans to develop a workforce that supports long-term business goals. Practitioners in the region emphasised the particularly rapid business environment and fast paced change of skills requirements, and how this made Strategic Workforce Planning difficult. To help address this, they recommended building broader organisational capabilities in agility and resilience. Several practitioners also explained how they were building their organisational capabilities quickly through acquiring other, relevant businesses.



We additionally explore the emerging trend of the skills-based organisation; organisations are making significant investments in building taxonomies and adopting tools to measure skills, offering skills-based learning and rolling out talent marketplaces to provide people with opportunities to put skills into practice. However, it is important to avoid getting caught up in the 'hype cycle' around the skills-based organisation. Becoming skills-centric implies turning people practices on their head, including rethinking how work is organised, for example packaging work as projects rather than permanent full-time roles, and implementing processes for matching people to internal jobs, projects and opportunities on the basis of skills. It also requires rethinking the criteria for recruitment and adapting performance management and reward practices.



Organisations in the Gulf region will only be able to successfully navigate this complex environment through building flexibility and responsiveness into their talent approaches. Organisations need to prioritise creating a sustainable talent pipeline to meet future business needs (some of which they may not yet even be aware of). Reskilling – supporting workers to learn new skills to transition to new or different roles – will play an integral part in allowing organisations to systemically identify and build future capabilities.



RECOMMENDATIONS

RESKILLING FOR SUSTAINABLE GROWTH IN THE GULF

- 1. Start with your business strategy – use it to identify and prioritise opportunities for reskilling.** What capabilities do you need to develop as a business to execute the business plan? Which skills can help you build and sustain competitive advantage? Which are in short supply or difficult to hire externally? What skills are likely to be surplus to requirements in the future? Use answers to these questions to focus reskilling activity where it is likely to have greatest business benefit. Regardless of whether your approach is Focused or Systemic (see [page 17](#)), it is important to direct investment in learning, reskilling and redeployment towards those skills which are most strategically important for the future of the organisation.
- 2. While your business strategy may flag up multiple opportunities for reskilling, don't be tempted to overreach.** Start small by focusing on a specific skills area or working with a receptive part of the business to demonstrate feasibility and build out from there.
- 3. There needs to be joined-up thinking between business and workforce strategy, organisation and job design, investments in technology, talent acquisition, learning and internal deployment.** Consider adopting a common language, framework or taxonomy around skills to help all parts of the organisation system focus on critical future skills.
- 4. Consider how to incorporate targets for reskilling and redeployment in the business planning process,** and how to engage key stakeholders (such as finance) in changing mindsets around the costs and benefits of reskilling vs redundancies.
- 5. Invest in building processes and capabilities for strategic workforce planning.** Consider to what degree your workforce plan includes identifying opportunities and setting targets for reskilling, and whether it should be explicitly included as a line item in the plan. Practitioners in the region emphasised how the particularly rapid business environment and fast paced change of skills requirements made Strategic Workforce Planning difficult. To help address this, they recommended building broader organisational capabilities in agility and resilience. Some also explained how they were building their organisational capabilities quickly through acquiring other, relevant businesses.

- 6. Make sure employee communications clearly set out the business's strategic priorities and workforce plan, so it is widely communicated and well understood by the workforce.** It's important to enter into an ongoing dialogue with the workforce about the future direction of the business and what it means for skills, careers and jobs and how individuals can prepare themselves, rather than simply informing people when irreversible decisions have been made that affect their future employment.
- 7. Consider what actions you can take to create a more systemic culture of skills development.** This can include making sure employees have access to the right tools and information, explicitly carving out time for learning and rewarding people who put new learning into practice. It can also involve upskilling line managers, incentivising them to support greater movement and sharing of people across the organisation, and recognising those managers who are the best people developers. If you are adopting a talent marketplace, consider how you will support and incentivise managers to advertise opportunities there and use it as their first port of call when staffing projects. In a fast-paced environment such as the Gulf region, rigid, prescriptive development plans may quickly become out of date.
- 8. Invest in improving the quality of management.** Companies tend to rely on managers to support their teams' career development and yet many managers are not skilled in giving career advice. Consider reviewing the criteria for appointing people into management and leadership positions – do you assess whether they are capable or motivated to support the development of their staff? Train line managers to have good career conversations, provide them with good information about the learning and career pathways that are available, and measure their impact through employee surveys and outcomes such as internal promotions and job moves.
- 9. Be more creative and long-term in resourcing.** One of the major challenges of the 2020s will be skill shortages in key areas. In many organisations, there is a 'buy not build' culture. An instinctive reaction to the discovery of a capability gap is to call a recruitment agency and find someone to fill it. Alternatives to dealing with skills shortages include finding sources of underutilised labour, such as older workers or people from communities that traditionally struggle to find work and helping people develop key skills before there is a shortage.
- 10. Do more with the skills you already have.** HR tends to focus more on talent development and not enough on deployment and internal mobility as a way of building relevant experience and building skills. Job rotation, work shadowing, secondments, and greater autonomy and self-organisation have all been shown to improve skill utilisation and the transfer of knowledge and good practice between workers and divisions within companies. Managers are critical to this process. It is their understanding of the people in their teams, their creativity in deploying them and their willingness to let go of key talent to support their development that enables them to fully utilise their skills.
- 11. To grow their skill base, employers will need to think more systematically about how employees at all levels are provided with development opportunities to practise and hone new skills.** Training is only one component of skills development. Developmental roles are just as important for enabling employees to apply their skills practically. Consider how to signpost people towards experiences that will help them build future-critical skills. How can you make it easier for people to access these experiences? In what ways might you increase the visibility of opportunities?
- 12. Develop more flexible career and employment models.** How can we create greater flexibility over the course of a career, perhaps through offering sabbaticals so people can take paid time off to develop new skills or return to education? Education needs to shift from being something that happens at the start of a career to something that employees return to throughout their career to support their development.
- 13. Build partnerships with stakeholders outside the organisation.** Consider forming alliances to tackle shared challenges together and create networks for sharing talent across organisational boundaries and to jointly invest in critical skills. This can include other employers, suppliers and partners in the supply chain such as employment agencies, government, education providers and local communities.
- 14. Make sure that the user experience on the platforms employees use to access reskilling opportunities and relevant learning and resources are intuitive, easy to access and straightforward to complete.** Asking an employee to complete similar skills or career experience data multiple times on different platforms is likely to put them off.
- 15. Consider how you can use flexible work arrangements such as shortterm projects, gigs undertaken alongside the day job, or 'try-before-you-buy' assignments that allow people to experience a new role before making a permanent commitment.** Talent marketplaces can be very effective in raising visibility of opportunities, but implementing the technology successfully requires careful design of use cases and development of supporting policies around issues such as how to manage performance of people who work on multiple projects simultaneously.
- 16. Think through the implications for job and work design.** Do you need to move towards a more flexible work model, where jobs have fewer fixed tasks and more flexibility to flow to tasks, assignments and projects?
- 17. Consider how the different parts of HR will need to work together effectively to deliver a reskilling plan.** Do you need to incentivise HR differently or appoint a Chief Skills Officer or similar who has end-to-end responsibility for reskilling?

“Especially with Saudi Arabia Vision 2030, there are a lot of social, legal and economic changes occurring. That’s a huge transformation. History is being made here”.

AN HR EXPERT AND STRATEGIST BASED IN THE KINGDOM OF SAUDI ARABIA

1.1

FORCES SHAPING THE FUTURE OF WORK

The 2020s will likely be a decade of wide-reaching change across the Gulf region. Several long-term trends will reach a critical point in the coming years, including large-scale economic diversification and the drive for increasing talent localisation. Countries will also need to take imminent action if they are to meet their Net Zero or sustainability targets, and the full impact of new AI tools – increasingly placed at the centre of transformation plans in the region – is yet to be seen. Several national planning strategies (e.g. We the UAE 2031 or Saudi Vision 2030) will also enter their final phase in the coming years.

DEFINITIONS

For the purposes of this research, we draw a distinction between reskilling and upskilling:

Reskilling: Reskilling is about supporting workers to learn new skills to transition to a new or different role. The outcome is readiness to succeed in a new position.

Upskilling: Upskilling focuses on supporting workers to acquire new skills to stay relevant in an existing role. The outcome is higher effectiveness or productivity in an existing role.

Our principal focus in this research is reskilling, but the practices outlined throughout can also be adapted to support upskilling.

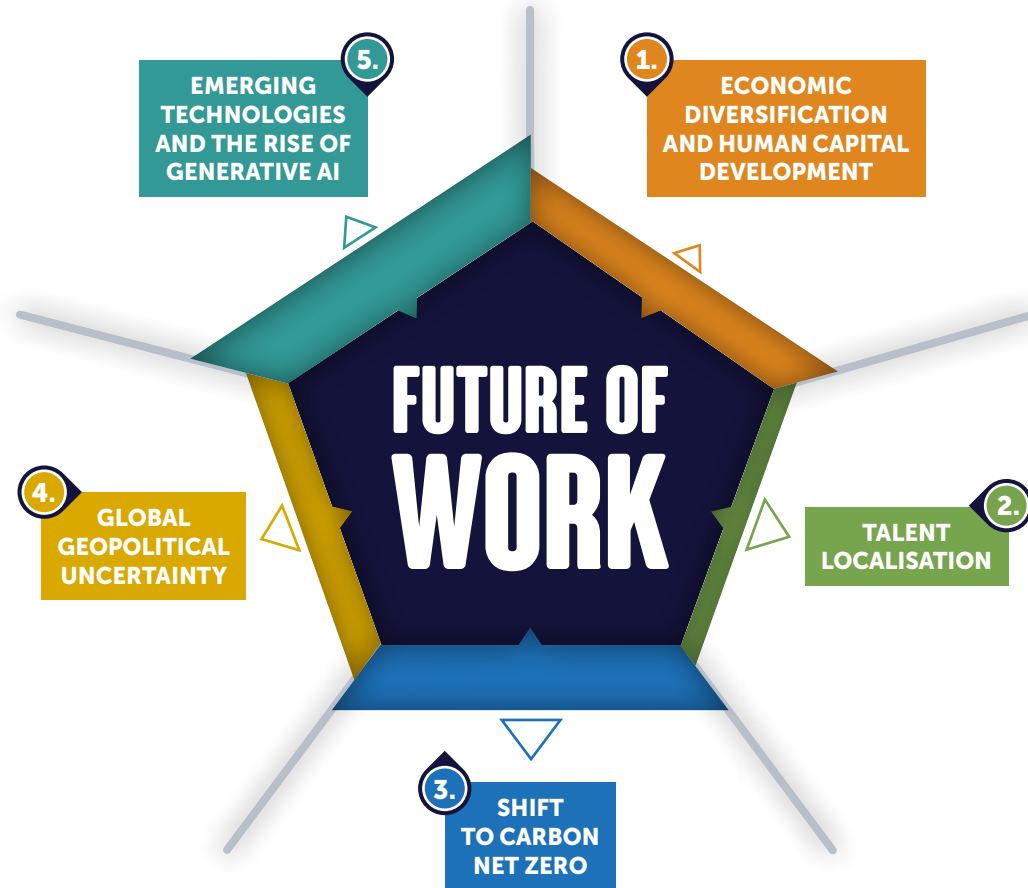
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INTRODUCTION

Our research – informed by a literature review, practitioner interviews and a survey – indicates that the following will be the most significant trends shaping the workforce in the Gulf region (and the skills that organisations require) throughout the rest of the 2020s.

FIGURE 1

The Forces Shaping the Future of Work



“In line with the ambitious national visions of GCC [Gulf Cooperation Council] countries, fostering a future powered by innovation and knowledge-based industries requires a strategic investment in reskilling the national workforces. This will unlock the immense talent pool within the region and empower GCC countries to achieve sustainable economic growth and prosperity”.

ANDY DENT, DIRECTOR – CLIENT SOLUTIONS, THE OXFORD GROUP

1. ECONOMIC DIVERSIFICATION AND HUMAN CAPITAL DEVELOPMENT

Countries in the Gulf are prioritising diversifying their economies away from oil and gas and towards a range of new industries, including manufacturing, hospitality, tourism and technology. This focus is reflected in national plans and both public and private sector investment, such as the UAE’s Operation 300bn which aims to boost the industrial sector’s contribution to GDP from \$36bn to \$82bn by 2031, or Saudi Arabia’s announcement in April 2024 that it had secured \$13bn in private sector investment for its tourism industry. The urgency of this economic diversification is underscored by recent sluggish growth, with the ILO stating that ‘the oil production cuts, including notably in Saudi Arabia, resulted in a decline in economic growth from 7.9% in 2022 to 1.4% in 2023’ (ILO, 2024). The need to decarbonise economies to meet Net Zero commitments further adds to the need (see further detail below).

This creates both an opportunity and necessity to develop the skills required for these burgeoning industries. Accordingly, the Gulf states are pursuing policies that support national skills development, including:

-  **The Kingdom of Saudi Arabia.** A refreshed Vision 2030 programme includes the ‘Human Capability Development Programme’ which aims to develop citizens’ capabilities, prepare them for the future, and support them to seize opportunities in government agencies and the private sector.
-  **The United Arab Emirates.** The national vision, We the UAE 2031, includes the goals of achieving fast-paced economic growth through ‘focusing on well-established and promising key national sectors (such as advanced industries, digital economy, ICT, communication, services, financial technology, logistical services and tourism)’ and also creating ‘competitive, flexible and highly productive human capital’.
-  **The Sultanate of Oman.** Vision 2040 aims to “create a dynamic labour market that attracts talents and keeps up with demographic, economic, knowledge and technological changes”. Specific goals include fostering a ‘Society of Creative Individuals’ and supporting a ‘Competitive Economy’, through a “system of employment, qualification, promotion and incentives based on efficiency and productivity that nurture initiative and innovation”.

2. TALENT LOCALISATION

Countries in the region are prioritising the increasing localisation of their workforces, and are deploying different localisation agendas and policies to support this. For example, in the UAE businesses must comply with a range of expanding regulations relating to Emiratisation, which from 2024 will start to affect private sector companies with a workforce of 20 to 49 workers. Accordingly, governments and businesses in the region are investing in local talent to bridge skills gaps in the labour market and create skilled talent pools capable of leading future industries. The Oman Investment Authority’s recent partnership with the Ministry of Labour and other education institutions to develop national talent with financial and accounting backgrounds is just one example of many.

The Gulf region additionally has one of the fastest-growing populations in the world, with 50% of local populations under 25 as well as growing female participation in the workforce. The large number of new workers entering the workforce creates an opportunity to skill and develop local populations for meaningful employment opportunities.

3. SHIFT TO CARBON NET ZERO

Governments within the region have strongly articulated national visions, which include sustainability agendas and planned transitions to net zero as key pillars. For example, the UAE has a net zero by 2050 initiative, updated in 2023 to include goals for 2030, and the Kingdom of Saudi Arabia has pledged to achieve net zero by 2060. This focus was also reflected by the UAE hosting COP28 in late 2023, where nearly every country in the world agreed to transition away from fossil fuels “in a just, orderly and equitable manner”.

According to the Resolution Foundation, the shift to Carbon Net Zero will substantially change the global economy, requiring an abandonment of the energy assumptions on which economies have been built. This will be particularly significant in the Gulf region where economies have often been dependent on oil and will need to diversify (as outlined above). This skills need is well-recognised, with over 60% of respondents in Qatar, UAE and Saudi Arabia (compared to only 39% globally) believing that green skills will be very important in their careers (PwC, 2023).

However, the required skills to implement these commitments are lacking on a global scale, including in the Gulf region. According to the World Economic Forum’s 2023 Future of Jobs Report, demand for workers with green skills will significantly surpass supply in the next five years. This skills need is also highly time-critical. To meet Net Zero targets, a large amount of work will have to start in the mid-to-late 2020s across a broad range of sectors, with most countries looking for the same skills at the same time from a limited pool.

4. GLOBAL GEOPOLITICAL UNCERTAINTY

The 2020s will continue to be a decade of geopolitical uncertainty and instability. As well as the knock-on effect of geopolitical turbulence on oil prices, the impact of the ongoing war in Gaza will be particularly important for businesses in the region. Further, with nearly half the world's population eligible to participate in an election in 2024 (including national elections in the US and India), the global geopolitical landscape may yet shift substantially again this year.

The speed at which new issues are emerging highlights the unstable and complex nature of the environment which organisations must navigate. This has a range of implications for the future of employment, and organisations in the region will need to bolster their resilience and agility to adapt and respond to external changes.

5. EMERGING TECHNOLOGIES AND THE RISE OF GENERATIVE AI

Following the launch of ChatGPT in November 2022, 2023 was the year that GenAI truly entered the mainstream. With its ability to create original content across various media in a matter of seconds, GenAI has the potential to cause systemic change to organisations and the world of work; research by Goldman Sachs estimates that around two-thirds of current jobs are exposed to some degree of AI automation, and that GenAI could substitute up to a quarter of the work employees currently perform (Goldman Sachs, 2023).

However, recent research by the World Economic Forum cautioned that large-scale AI-driven workforce disruption may actually happen more slowly than many are currently predicting (particularly as job displacement caused by previous automation and digitalisation has happened more slowly than initially expected). Additionally, PwC's 2024 global CEO survey found that CEOs in the Middle East were more optimistic that GenAI will create – rather than destroy – jobs; 25% thought GenAI will result in job creation within the next year (vs only 13% globally).

This does not mean that businesses can afford to be complacent, especially as advances in technology are changing the demand for skills at an accelerated pace. The average half-life of skills is now less than five years, and in some technological fields it's as low as two and a half years. There is now a vast and growing need for skills that will facilitate this technological transition, with the World Economic Forum citing technological literacy as one of the fastest-growing in-demand skills, with millions of unfilled job vacancies globally. Rather than directly displacing workers from their jobs, the biggest shift that new technologies will likely cause is changing the nature of work so much that some workers will effectively be working in new roles (Tamayo et al., 2023).

Workers will need the skills to leverage these new tools that governments are prioritising, as well as the skills to step into new roles / roles that have been substantially shifted. For example, the UAE's National Strategy for Artificial Intelligence 2031, which sets out a clear vision to become the world leader in AI by 2031, as well as launching a national reskilling initiative in 2023 to boost job security in the age of AI. More broadly, the PwC 2024 global CEO survey found that CEOs in the Gulf region are leading the global charge in adopting GenAI: *"the region's young, tech-savvy population and future-focused national transformation visions have encouraged a proactive and collaborative approach towards GenAI adoption"* (PwC, 2024).

BUILDING A RESILIENT FUTURE

The scale of changes facing the workforce mean approaches which are ad hoc or solely focus on upskilling will not be enough. According to the World Economic Forum's 2023 Future of Jobs Report, employers estimate that 44% of worker's skills will be disrupted in the next five years, driven by growing demand for skills such as analytical thinking and technology literacy. In the words of the Harvard Business Review's 2023 article, Reskilling in the Age of AI: *"If the OECD estimates are correct, in the coming decades millions of workers may need to be entirely reskilled – a fundamental and profoundly complex societal challenge that will require workers not only to acquire new skills but to use them to change occupations"*.

Our research identifies a strong business case for reskilling which includes reduced costs (when compared to firing and rehiring), developing a competitive advantage through building talent that is not readily available in the market, and increasing diversity through tapping into adjacent or previously overlooked talent pools.

New technologies which can enable a more sophisticated and widescale reskilling process – such as internal talent marketplaces, automated skills taxonomies and AI-driven tools which infer employee skills – are rapidly emerging. However, without first ensuring that the supporting infrastructure (such as the right culture and management capability) is in place, organisations will have limited success in applying these new tools. Our research emphasises that now is a critical moment for organisations to implement and optimise their reskilling approaches, and also identifies a range of practical steps, guidance and learning that can support businesses in this.

Organisations will only be able to successfully navigate this complex environment through building flexibility and responsiveness into their talent approaches. Organisations need to prioritise creating a sustainable talent pipeline to meet future business needs (some of which they may not yet even be aware of). Reskilling will play an integral part in allowing organisations to systemically identify and build future capabilities.



1.2

THE BUSINESS CASE FOR RESKILLING

As outlined above, organisations in the Gulf region need to carefully consider how they will ensure they have the talent and skills required to meet future business needs in a rapidly-changing world. Our research highlighted a clear business case for reskilling, the main factors of which are outlined below:



Develop a competitive advantage through creating a strong pipeline of skills that meet future business needs.

In the words of Harvard Business Review's 2023 article *Reskilling in the Age of AI* reskilling initiatives "allow companies to build competitive advantage quickly by developing talent that is not readily available in the market and filling skills gaps that are instrumental to achieving their strategic objectives – before and better than their competitors do". Andy Dent, Director – Client Solutions at the Oxford Group emphasised the importance of quick and flexible skills development: "The Gulf economies have a dynamic and transient labour market. This means there's a strong emphasis on delivering results and business performance quickly and effectively whilst keeping employees engaged in an effort to retain talent".



Increased resilience and ability to adapt to a dynamic, external context. The half-life of skills is becoming shorter and reskilling provides a systematic framework for businesses to adapt to new skills as required. Changing business models mean companies have to develop new capabilities at pace, particularly in the Gulf region

"It's not about churning out and replacing; it should be about – once we're comfortable we've got the right people – let's do everything to keep them and train them further. It's a no brainer".

IAIN MCLAUGHLIN, VICE PRESIDENT, TALENT, DUBAI HOLDING

where economies are undergoing significant transformations. Governments in the region have implemented ambitious national targets, including goals relating to talent localisation and national skills development. Effective reskilling and upskilling strategies can play a key role in helping businesses meet these goals through investing in and developing their skills and talent.



Impacts positively on employer brand, employee engagement and corporate culture.







A good-quality reskilling offering provides employees with the opportunity to improve their skills and long-term employability, and can therefore be a core part of the employee value proposition. This can help organisations retain and attract the required talent – particularly important in a context where organisations are competing for people with the skills they need. Reskilling can also promote a positive working climate and enhance employee motivation compared to the long-term negative employee attitudes that can be engendered by high employee churn rates. One HR Expert and Strategist based in the Kingdom of Saudi Arabia commented: "the market is so hot that people can move pretty fast from one organisation to another. So it's important to be able to invest in graduates with potential".



Align with government targets. Governments in the region have implemented ambitious national targets, including goals relating to talent localisation and national skills development. Effective reskilling and upskilling strategies can play a key role in helping businesses meet these goals through investing in and developing their skills and talent.



Employee expectations are changing. Employees increasingly expect their employer to invest in their longer-term career and to provide opportunities for learning and accumulating experiences. Olga Martens-Stuurman, Director, Future Ready Work Experiences, HP, said: "Since the pandemic, employee expectations have changed more profoundly than we probably had anticipated. Our employee listening tells us that people want investment in their career development, and they want to have choices".

- 
Contribute to sustainability goals and the growing awareness among employers of the need to take account of the social impact of their operations. [CRF's 2023 Research](#) found that sustainability is now a top consideration for governments, businesses and society in the Gulf region, with sustainability targets a key part of national strategic plans. However, the research also highlighted that creating a pipeline of talent with the right skills to meet these targets was still a challenge.
- 
Reduced costs. Whilst reskilling clearly brings costs to the business, such as the time required for training or potential increases in salary to match new skillsets, research shows that these usually outweigh the cost of 'firing and rehiring'. Restructuring is disruptive and creates indirect costs through loss of morale and institutional knowledge, as well as potential reputational damage. World Economic Forum research published in 2021 found that accelerated investment in upskilling and reskilling could add at least \$6.5 trillion to global GDP.
- 
Retain tried and tested employees rather than taking a risk on hiring someone external. This allows organisations to also retain the organisational knowledge, commitment and engagement of existing employees. Relatedly, reskilled and redeployed employees will likely have a faster time to productivity than new external hires.
- 
Adapt to the impact of emerging technologies, including GenAI. Reskilling can help ensure organisations have both the overall flexibility and the technical skillsets required to implement new technologies effectively. This is particularly important in the Gulf region where governments are placing emerging technologies at the center of their transformation plans.
- 
Support agile organisations through helping to create flexible pools of talent, rather than deep narrow skillsets. In this way reskilling can support different ways of organising the business, including helping to move towards a flow-to-work model (see Implications for Work Design on [page 41](#)).
- 
Increase diversity of the workforce through accessing previously untapped sources of talent. Through reskilling organisations can look at adjacent or overlooked talent pools that they may not have previously considered. Matt Sigelman, President Burning Glass Institute said: *"Organisations trying to fill equity commitments may feel trapped by the lack of available talent. By identifying and reskilling adjacent, diverse talent pools, they can build greater diversity into the workforce while also shortening availability timelines"*.

There is a strong need to take a strategic and well-considered approach to reskilling and – given the timescales involved – to identify and successfully build these skills – the time to start is now.

This report provides practical guidance and support for HR leaders as they develop their reskilling strategies, and considers the full lifecycle of the reskilling process, from setting priorities and objectives right through to evaluating impact. It can be used to support organisations in shaping their strategies for reskilling and outlines key supporting areas for successful reskilling initiatives including strategic workforce planning, job design, a development culture and employee engagement and communication. It also includes:

- A deep-dive on how technology can be an enabler of reskilling, with recommendations and guidance for effectively leveraging technology.
- Key considerations for organisations interested in transitioning to a skills-based model.
- Models, frameworks and practical strategies to help organisations get started and progress on their reskilling journeys, including a Reskilling Model and a Strategic Workforce Planning model.
- Case notes and practical examples of implementation learnings, successes and challenges from a range of organisations, including Dubai Holding, e&, Unilever, bp and Standard Chartered.

RESEARCH METHOD

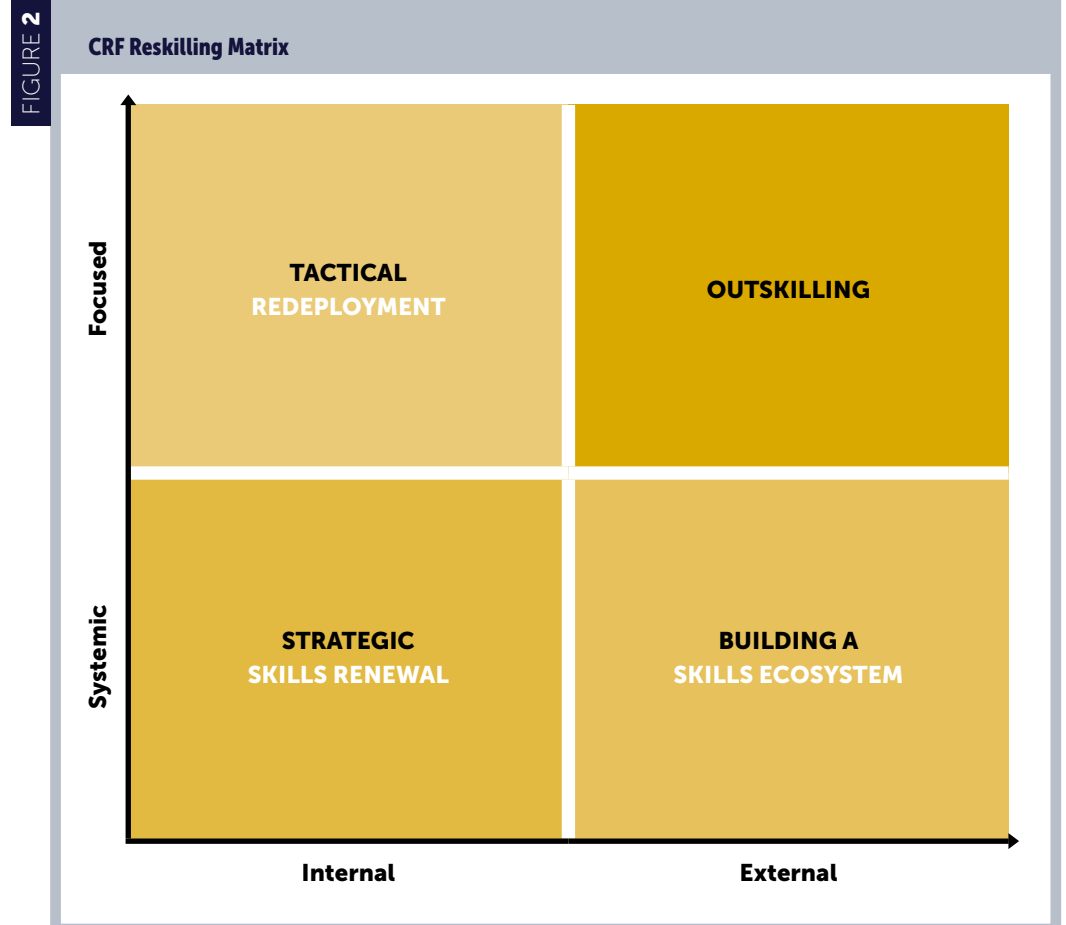
We interviewed 38 senior HR practitioners, both from organisations predominantly operating in the Gulf region as well as global organisations. We are most grateful to all our research participants, some of whom preferred to remain anonymous, and who are listed in the [Appendix](#). Our research was also informed by a review of academic and practitioner literature



2.0 STRATEGIES FOR RESKILLING

In this section, we highlight common strategies for reskilling that we found in our research, together with examples of how companies are tackling the challenges of reskilling. We have synthesised these into a two-by-two matrix shown in Figure 2 below.

2.1 CRF RESKILLING MODEL



The model is organised on two axes:

FOCUSED vs SYSTEMIC

One differentiator we observe is the extent to which future-fit workforce strategies are:

- **Focused** on specific job roles, skills, employee segments or physical locations (e.g. creating digital skills). Companies with a focused approach provide support such as reskilling programmes, redeployment or outplacement targeted at those individuals or groups who are directly affected by these changes. The goals are to ensure employability, minimise the costs of restructuring and better match workforce supply and demand.
- **Systemic:** enabling people to continuously learn, develop and reskill through creating a culture of continuous development. Systemic strategies involve signalling to employees what the business strategy means in terms of future skills. It means supporting employees to determine their own future by providing tools and support, rather than being prescriptive about a specific outcome or destination role.

Another way of looking at this, according to Matt Sigelman is to apply actions organisations are often doing for their leadership ranks, at scale. *"Say we're going to need a lot of cyber analysts and we think the market is going to get more stretched. It's asking questions such as: Where do we have talent that could step in? What transitions worked into that role in the past? What are those talent benches and how much talent do we have there? What talent adjacencies might we not be thinking about? But, generally we are seldom doing this beyond the top of the organisation".*

A systemic approach can also involve connecting strategies for reskilling and upskilling to the broader purpose of the organisation (for example linking long-term employability with the company's sustainability strategy). It can also mean taking a broader ecosystem view of the future of work: working in partnership with stakeholders such as other employers, suppliers, education providers and governments to develop joint solutions to shared challenges. For example, creating partnerships with local universities to create a sustainable pipeline of national talent in particular skills areas. While minimising the cost of restructuring is also important, there are also broader goals such as developing a sustainable talent pipeline, acting as a socially responsible employer, and securing people's livelihoods over the long term.

INTERNAL vs EXTERNAL

The second differentiator is the degree to which actions are internally or externally oriented:

- An **Internal** orientation means focusing on actions that help people prepare for, and be redeployed into, positions within the organisation. These might include reskilling and upskilling programmes, and internal talent marketplaces

to connect people with opportunities inside the company. This can also include communicating what the business strategy means for skills in order to identify high-demand future skills and to nudge people towards developing those skills, or implementing pay-for-skills policies that reward people with high value future skills.

➤ An **External** orientation involves, on the one hand, preparing people to find work outside the organisation. This could involve providing outplacement services to training people for specific jobs available in the external market. An external orientation could also involve creating an ecosystem of partner organisations who share the same goals.

HOW TO USE THE MODEL

The model is designed to help you evaluate your organisation's current approach and identify where you may want to focus future activity and investment. Questions to consider include:

- In which quadrant(s) are we operating today? Do we need to shift towards taking a more systemic approach or become more externally focused?
- What does our business strategy and strategic workforce plan tell us about where to focus activity? Do we have specific short-term reskilling requirements? Should our priority be to develop longer-term workforce and talent flexibility? Or is it both?
- Who are the key stakeholders for these programmes and are we taking the right actions to meet their objectives and priorities?
- Are we being ambitious enough in our approach? Should we be doing more to prepare people to have meaningful livelihoods outside the organisation, for example?
- What tools, solutions and relationships can we draw on to realise our goals?

A few important points to note:

- The approach adopted by any organisation has to be determined by the business strategy, talent philosophy and strategic workforce plan.
- Organisations setting out on this journey will need to start with putting some core enablers such as a good understanding of the current skills profile of the workforce or the right learning infrastructure.
- Some organisations will be operating in multiple quadrants simultaneously, for example running targeted reskilling programmes for specific skills areas while also working on building a developmental culture.
- Many organisations will evolve their approach as they become more experienced and their reskilling journey progresses. For example, they may set out by being focused on a specific business issue but broaden out their practice over time.

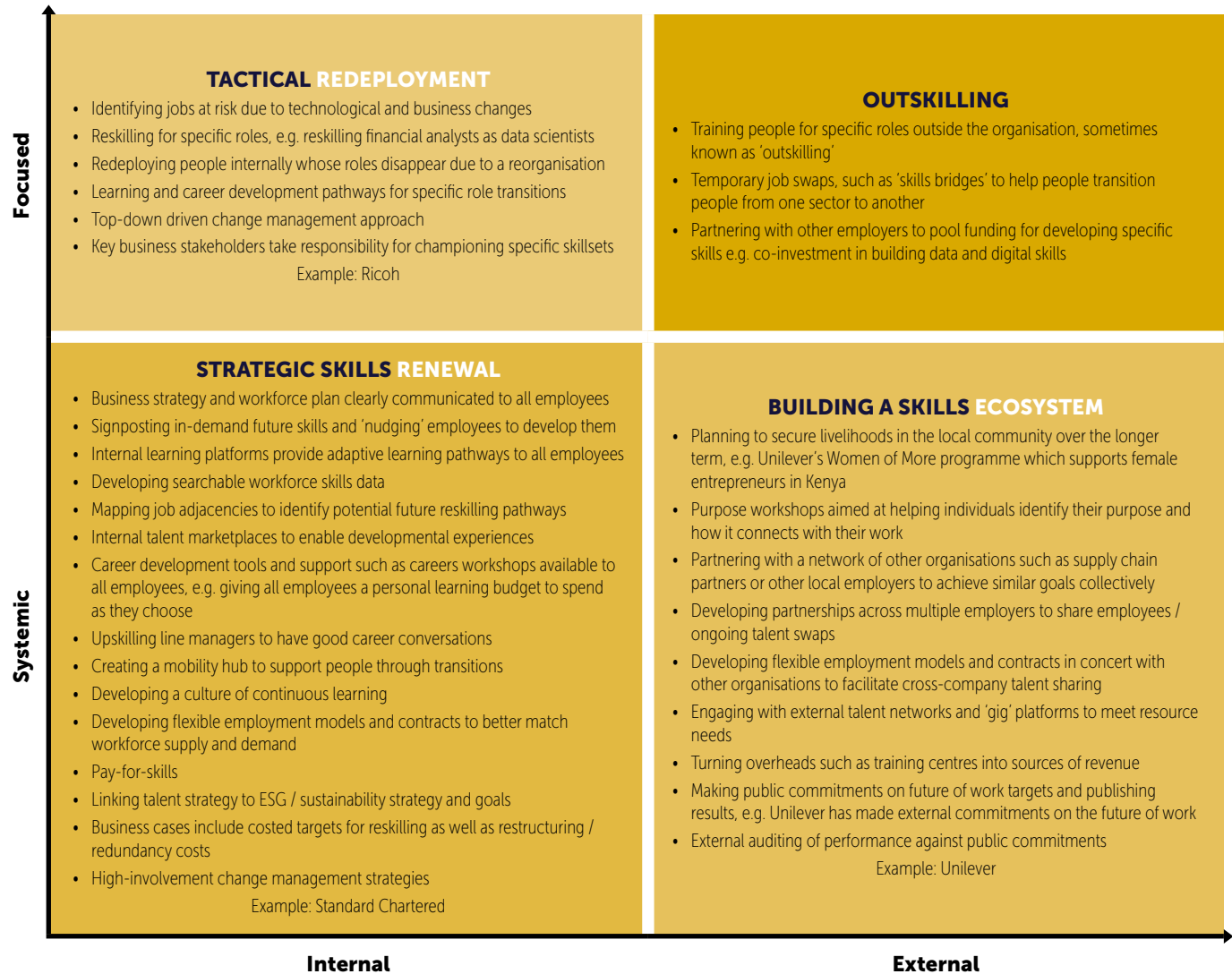
Figure 3 sets out the actions we might expect organisations to take in each of the four quadrants and references some case study examples found in this report.

Key to reskilling is to rethink the timeframes over which you expect to see results. Reskilling requires investing today to have skills available months or years down the line. Matt Sigelman said: *“The problem is that we make strategic workforce plans, but we don’t act on them. We don’t integrate them into how we operate and as a result, our time frame for building talent is expected to be on demand. We talk about skills gaps, when actually you could have all the skills you wanted if you planned ahead”.*

Reskilling is also an exercise in sustainability, as you are investing today to create a sustainable talent pipeline that will continue to bear fruit over a longer timescale.

FIGURE 3

CRF Reskilling Matrix



CASE STUDY 1

RICOH

imagine. change.

Over the last decade imaging and electronics company Ricoh has been reinventing its business model as it moves away from its traditional printer and copier market to being a digital services business. This business shift has also led to a significant need for reskilling, both in terms of new technologies and working practices such as agile and building capability in solutions selling. Engineers are having to not only learn new technical skills, but also learn how to work differently with customers and colleagues. The company has implemented a series of reskilling and upskilling initiatives over the last four years to support this transition.

The elements of Ricoh's reskilling and upskilling programmes include:

- A flagship reskilling programme – **SCALA**. This involves retraining top technical specialists from the legacy businesses to prepare them for digital roles. Employees who complete the programme are awarded a certificate of digital literacy. Candidates are selected through an assessment process including psychometric assessments which measure attributes which predict success in digital roles. Three cohorts have now completed the programme, covering over 4,000 employees who were eligible for the programme, of which 1000 applied and 300 were selected, with 100 learning hours per participant completed in total. SCALA consists of three modules: a digital literacy foundation programme which aims to get all candidates to the same level of digital proficiency; a technical module with five workstreams which leads to certification in high priority technical skills such as process automation; and temporary work placements across the group for 3-6 months to build experience. Candidates also receive career support to help them plot a new career path, develop their CV and gain interview practice with a recruiter. Candidates are released from their existing role for the days they spend training. Businesses can apply for a recharge from a central training fund to cover the costs of their people participating in the programme. Communities of Practice also support participants, giving them access to a network to deepen their technical skills and collaborate with others to solve problems. On completion, the recruiters provide candidates with hands on support, pairing them with new roles across the business, thus accelerating their permanent moves into new roles in digital services.
- The business case was based on comparing the cost of the reskilling and upskilling programmes against the potential restructuring costs of making those people redundant from the business. *"We are also saving recruitment and onboarding costs associated with filling the vacancies we have open in our digital businesses at any point in time, and are also able to reduce our use of contingent labour,"* said Bev Cunningham, Chief People Officer, Ricoh Europe.
- A second programme – **Maiden** – supports upskilling and cross-skilling the company's engineers in IT and AV skills. As well as enhancing employees' skills, it allows the company to save cost by replacing more expensive external contractors with employees. For example, the company won a major contract to install and maintain audio-visual facilities for a large global company. Maiden helped engineers develop the additional AV skills required to service this contract.
- The programmes are supported by an internal marketing campaign to educate the workforce about the digital services journey the company is going on. *"A foundational element of the programme was to develop and share a narrative about the business direction. We needed the business to be talking about the journey we're on so we could get our people talking about it too,"* said Cunningham. The narrative focuses on the growth opportunities arising from the business transformation and new jobs emerging in the digital space. HR developed a detailed communication plan including regular slots with the board, town halls and social media to generate interest and excitement about the future. HR also meets regularly with the line managers of SCALA participants to keep them on board.
- As the company has upgraded its HR technology, it is able to offer a seamless experience for employees who wish to apply for SCALA. Now people apply, complete assessments and learn seamlessly, all through the same platform. Previously applicants would have to access multiple apps to complete these processes. Upgrading the user experience has significantly improved response rates to internal communication campaigns.
- Another development is that the SCALA reskilling programme is now offered to external hires, who go through the modules of the reskilling programme as part of their onboarding. *"We wanted to attract external experienced hires into SCALA, so we have developed an enhanced 'SCALA 2.0' programme specially suited to the external market,"* said Cunningham.
- The company's HR system now also allows people to declare their skills, which are then matched to internal opportunities and learning content including parallel learning paths to what they are already working on. One-in-four employees have now completed their skills profile. According to Bev Cunningham, those who have completed their skills profile are consuming significantly more learning content than others. *"The AI constantly interacts with those people who have declared their skills, recommending the latest digital certificates and nudging people to try different learning paths. Once you start learning you are encouraged to do more."*
- Ricoh has also established specialist learning groups, called Power Skills, which focus on developing high end digital skills that the business needs to develop for the future. Participants can complete certifications in emerging digital skills, thus keeping their skills at the leading edge and allowing them to continue to grow. This also means the company can develop scarce skills that are difficult to hire externally and also supports retention of in-demand talent.
- Ricoh recently took stock of the impact of its reskilling efforts. It wanted to know whether people would have automatically enrolled in learning, even if it was not offered as part of a structured reskilling programme. HR monitored participation rates in digital certification programmes and discovered that the only people who completed digital certifications without prompting were typically those who were already in digital roles – and therefore not in need of reskilling. People who were the targets of reskilling programmes – engineers in the traditional business – were more likely to require reinforcement and encouragement to engage in learning. This provided a strong justification for continuing formal reskilling programmes, as otherwise the volume and pace of learning among engineers in the legacy business would likely reduce.

2.2 KEY STEPS IN THE RESKILLING PROCESS

In this section, we set out typical steps organisations take in reskilling, key practical considerations and lessons learned.

“The need to create retraining and reskilling pathways for individuals and organisations has never been more pressing”.

ANDY MOSS, CHIEF CUSTOMER OFFICER, CITY & GUILDS

FIGURE 4

CRF Reskilling Process





SET PRIORITIES AND OBJECTIVES

The first stage is to identify opportunities for reskilling and to prioritise the biggest gaps between current and desired future state. The strategic workforce plan and aggregate skills data discussed later will determine priorities for reskilling. It's essential that reskilling programmes are driven from the business strategy and technical roadmap, so they deliver skills that are critical to the organisation's future success and the resources required for reskilling are targeted where they will drive the greatest value in the organisation. However, doing so is not easy. In the words of one Talent Manager we spoke to based in the Gulf region: *"the biggest challenge for us has been that the organisational strategy is a moving target"*.

Another potential pitfall is the lack of capability with HR functions regarding identifying the required future skills. *"You need people with the knowledge, ability and skills to forecast the future to tell you where you're headed. But currently many people in HR are not capable of forecasting the future for the organisation"* said one HR Expert and Strategist based in the Kingdom of Saudi Arabia. *"So the skills needed to do the job – I'm especially talking about HR – are completely different. And that's not in the future, not tomorrow or next year, but today"*.

Amanda Nolen, Co-Founder of NilesNolen and an expert in learning strategy and technology, recommends starting with a targeted and specific group of people or skills that are important to the business. *"Don't boil the ocean, don't try and do it all at once. Start where you can clearly add value, start small, build the business case, iterate, improve and then expand"*.

It's also essential to define and prioritise the objectives for initiatives up-front. This might include specific targets around which jobs are to be targeted to fill with existing talent, how many and the associated costs, benefits and return on investment. This stage is an opportunity to engage key stakeholders and secure their support for the programme.



DEVELOP THE BUSINESS CASE

Many HR initiatives struggle to demonstrate a compelling business case or positive ROI because the benefits are intangible or it can be difficult to demonstrate a causal link between a particular action and a specific business outcome. Creating an accurate, data-based business case for reskilling is not an easy task, as many of the benefits to individuals, companies, governments and society at large are difficult to capture in a quantitative model, though organisations often can demonstrate a positive business case through comparing the costs of restructuring and making people redundant versus the costs of reskilling.

Typically the business case rests on the following:

- The positive cashflow effect of reduced restructuring costs
- Lower external recruitment costs through redeployment
- Faster time-to-productivity compared to external hires
- The quantified benefits being greater than the associated costs, such as cost of training, time away from the existing job etc.

For example, Unilever's investment in reskilling and redeployment means that future of work metrics are now routinely included alongside financial metrics when developing the business case for a change initiative. The discipline of accounting for restructuring costs has become part of the business planning process, and the CEO and CFO refuse to sign off business cases unless they cover the future of work angle, with targets for retraining and redeployment, alongside projections of the numbers and costs of redundancies.

As well as the financial impact, there are other intangible benefits to consider in constructing the business case, including:

- Increased loyalty and motivation
- Higher staff retention
- Positive impact on the employer brand and ability to attract staff in a tight employment market.



ASSESS AND MATCH CANDIDATES FOR RESKILLING

Not every employee is a blank canvas upon which new skills can be projected. Therefore, it's important before embarking on significant investment in skills building to make sure reskilling candidates have the capacity, relevant experience and motivation to learn a new role. Organisations that invest in robust assessment up front report better outcomes in terms of people succeeding in new positions.

Many reskilling initiatives include a form of assessment that measures capacity for and willingness to learn new skills and/or a measure of current skills against target. Companies are using psychometric instruments, structured interviews and technical skills assessments to assess people's capacity for reskilling, to match people to positions, to determine individual training needs and develop tailored learning pathways, and to measure the impact of upskilling and reskilling initiatives.

"By assessing employees developmentally, organisations can align individual strengths and passions with their strategic goals, creating tailored learning paths that enhance both personal and organisational growth," explains Tara Cherniawski, Senior Director

of Assessment at BTS. *"This approach cuts through the noise of abundant learning options, boosting engagement and productivity by linking development directly to career aspirations and business needs."*

Iain McLaughlin, Vice President, Talent at Dubai Holding noted how the organisation's overall approach to performance management supports employee skills assessment. There are multiple touchpoints in the performance management process (such as regular check-ins and conversations with employees on development opportunities as well as performance in role) which support skills competency validation. This assessment process is particularly thorough for the most business critical areas, such as ensuring they have the capabilities required for future leaders.

There are a number of AI-driven skills matching tools, such as Faethm and TalentNeuron, which can be used to make a systematic assessment of the gap between current and desired skills. Using AI for skills matching can broaden the range of roles available to people looking to reskill. For example, research by the World Economic Forum (WEF) found that when people are asked to complete a skills profile manually, on average they identify 11 skills. Using AI can significantly increase this average to 34, opening up new pathways the individual would not otherwise have considered. Sometimes the transitions are unexpected: for example the WEF pilot found an IT manager in retail had a 50% match for the skills required to be a product manager. *"[This] shows upskilling is as much about training as it is about helping people spot opportunities,"* the report concluded.

An important consideration is what degree of match between current and future role is needed for reskilling to be feasible. Our research suggests that this skills overlap needs to be sufficiently large to make the transition feasible – a good enough but not perfect match. Another challenge for HR is to help managers craft vacancies in ways which might make them more suitable for reskilling, considering what specifics are required by when and what is and isn't trainable.

How the skills overlap is measured is also important. This is where looking at the underlying skills rather than focusing on job titles can help. *"You have to be flexible and get away from rigid thinking about roles or job families,"* said Bev Cunningham, Chief People Officer, Ricoh Europe. *"It's about saying 'you might not be a perfect match right now, but with the right support you can move into a new position as soon as possible'."*

Some organisations adopt a 'try-before-you-buy' approach as an alternative or add-on to selection. Job trials and simulations can help reduce the reliance on qualifications and experience for selection and open the field for a more diverse range of candidates. Talent marketplaces are being used in some organisations to allow people to experience a new skill on a temporary basis before committing to a full-time move. Some organisations specifically advertise reskilling roles and label them as such in their

internal job postings. These roles might also have special conditions such as who is eligible to apply, or include a structured learning programme.

Rodha AlHarthi, Vice President Group People Learning and Growth at e8 emphasised the importance of identifying your organisation's current skills baseline: *"If you don't know your starting point it's difficult to answer questions like: how long is it going to take to build skills? What's the level of complexity? Is it more cost efficient to retain and reskill somebody, or hire someone? Or is better to quickly acquire an organisation, or partner with them, or outsource some of that work?".* However, she cautioned that this is not easy: *"It's probably easier to understand your future skills than to identify your current skills baseline"*.



INTEGRATE LEARNING AND DEVELOPMENT IN THE FLOW OF WORK

Research into reskilling pilots by the World Economic Forum found that it took around six months for people to be reskilled into roles in a different function.

Successful reskilling programmes are designed around the principles of adult learning. They combine learning modalities such as formal, structured learning either online or in-person, self-directed learning, practice including individual work experience and group projects, mentoring and support from experts and peers. The timing of training should also coincide as closely as possible to taking on the new role.

KEY PRINCIPLES OF ADULT LEARNING

Malcolm Knowles was, in the second half of the 20th Century, one of the central figures in the development of understanding of adult learning. He identified six principles that underpin how adults learn.

1. Adults need to know why they are learning something.
2. They learn through doing.
3. They need to be responsible for their decisions on education and involved in planning and evaluating learning.
4. They learn most from subjects that are immediately relevant to them.
5. Effective learning is oriented towards problem-solving rather than content or theory.
6. They respond better to internal than external motivators for learning.

“It’s not so much that people are afraid of change. Often there’s a desire to develop new skills but it needs to be demystified. People often don’t know where to go for advice, funding and support”.

ANDY MOSS, CHIEF CUSTOMER OFFICER, CITY & GUILDS

There are many examples of peer coaching and communities of practice being set up to help people seek advice and learn together. For example, a Talent Manager at a GCC investment organisation shared how their organisation had hired university researchers to staff a new Research and Development Centre. After doing this, they identified an opportunity to additionally deploy these researchers across the organisation as internal consultants who could share their expertise.

One of the major barriers to reskilling that companies report is the difficulty of carving out time for learning alongside an existing role. It’s therefore important to consider the best way of structuring learning and on-the-job experience to increase the possibility of a successful transition from one role to another. Is it best to adopt the Google 20% approach, where individuals take one day per week out of their existing schedule to learn new skills? Or should reskilling candidates attend immersive ‘boot camps’? Our interviews suggest it is helpful to be explicit and transparent about allocating time for formal learning and on-the-job experiences, such as day-release programmes.

For example, Gabriella Planojevic, MEA Talent Director at global consultancy Kearney shared that her organisation implements a three-day quarterly Learning Festival for the management services teams, where management can come together and sign up for different learning opportunities. Topics are partially based on what participants want to explore, and have recently included data and analytics focused topics such as using Power BI or Alteryx, as well as other skills such as communication and management capabilities. Additionally, the organisation’s consultants are enrolled on highly specific learning programmes, designed as a learning experience with a week out of the office in a location out of the country. These learning weeks are well institutionalised to ensure time for learning is allocated and factored in with business needs. Apprenticeship, involving on-the-job learning on assigned projects and learning from other team members, is also an important approach for Kearney.

Chris Legg, Managing Director – Middle East at BTS, highlighted how another barrier is the overwhelming amount of learning available on platforms, and a lack of a strategic approach on how to use it: *“it’s really overwhelming to have a massive LinkedIn/ Udemy/Coursera library... if you can learn anything in the world, where do you start? I think organisations could be more deliberate in helping their talent actually identify what matters most to them and the organisation – isolating the signal in the noise and helping employees focus on what matters most strategically”.*



EVALUATE IMPACT

It’s important to have a process for measuring the impact of reskilling initiatives and to track performance against objectives. This should be designed up-front as part of the overall programme design – not as an afterthought when the processes are already up and running. Evaluation should be a continuous feedback process which allows for course-correction and reprioritisation as business objectives evolve. Regular reporting of results to key stakeholders can help with their ongoing engagement with the programme.

Both qualitative and quantitative criteria should be included. For example:

- Tracking the results achieved against the business case
- Were the results achieved in line with objectives?
- Feedback from key stakeholders about the outcomes relative to cost and effort
- Impact on employee engagement and employer brand. For example, some companies tag participants in skills building programmes to assess the impact of their participation on performance and engagement scores.

CASE STUDY 2



With 40+ years experience of operating solely as a telco provider, e& has recently begun to grow into the technology space. The business has created a new strategy under the leadership of Ali AlMansoori, Group Chief People Officer, to support this transition and will require different core organisational capabilities, particularly relating to digitalisation and AI.

In order to understand what becoming a global technology group means in practice, e& initiated the 'Future Capabilities Project' in 2023. As part of this, they are identifying their required future capabilities from two perspectives:

- Looking *externally* to see what new roles they anticipate coming online in the next three to five years. This was informed by conducting extensive market research and consulting with industry leaders.
- Looking *internally* to gather data on what leadership, interpersonal or technical skills will be required for the organisation to be successful in the future. In total, e& are speaking to 35 key senior leaders (including all their CXOs, several business strategy leads, and colleagues who are very senior in the tech space).

At the same time, e& are also determining their current organisational capabilities. The organisation has around ~2,500 unique roles and they are refreshing the behavioural and technical competencies currently required for each role. Working from the assumption that their employees have the skills required by their Job Descriptions, this will create a baseline of the organisation's current technical and behavioural competencies. e& plans to combine this with the capabilities identified through their external review and feedback from senior leaders, from which they can identify their skills gap and the different strategies they can employ to close this.

CLOSING THE SKILLS GAP

Due to the speed of change required, e& has already begun some of the work to close their technology skills gap (which aligns to their business strategy as well as the UAE's strategy of being a technology-enabled society). This includes:

- **Hiring** extensively in the data science space.
- **Acquiring other businesses** in order to close skills gaps (e.g. market leading tech apps, smaller tech businesses). This quickly brings the required capability into the organisation when it would take too long to build the skills internally.
- **Organisation Design.** They have created a new 'Data and AI' business line to streamline their AI strategy.
- **Build existing staff capability.** The details of this can't be determined until e& has identified more specifically their future capabilities, including volume and when and where they will be needed; they are currently in conversations with their workforce planning team to help determine this. From this, and in combination with existing capabilities of each population, they can decide how and where to use development as a talent lever. However, in the meantime they have begun planning a Digital and AI Academy with AI-enabled personalised learning pathways (avoiding the risk of creating learning pathways which quickly become out of date).
- **Developing Emirati talent.** e& is building a sustainable pipeline of Emirati talent in AI and technology through a graduate programme. Rodha AlHarthi, Vice President, Group People Learning and Growth at e& explained how 'we know that our pipeline of talent coming through the organisation – even in finance, HR or marketing – need to have a baseline understanding of what is AI and how to deploy it in their work context.' The graduate programme additionally includes more intense training for graduates who will be specifically working in the technology space.



2.3 CRITICAL SUCCESS FACTORS AND BARRIERS

Our research highlighted some critical considerations which organisations report are key to successful reskilling initiatives, which we discuss in the following sections.

1. A DEVELOPMENTAL CULTURE

“We need leaders who can create the conditions for people to be successful, and at the same time understand their future career ambitions”.

ANDY DENT, DIRECTOR – CLIENT SOLUTIONS, THE OXFORD GROUP

A critical success factor is the culture of learning in the organisation. Many organisations are investing in new technologies such as learning platforms and talent marketplaces. However, these are unlikely to meet their objectives unless the organisation culture supports continuous learning and reskilling is valued. There are several elements which are particularly important:

- a** When building future capabilities, encourage an employee mindset that not everything has to be set – several practitioners we spoke to in the Gulf region elaborated that the pace of change is quick (particularly regarding technology) that set learning pathways or strategies would quickly become out of date. One Talent Manager based in the Gulf region that we spoke to described how: *“We’re now saying to people that we know the direction of the organisation and the broad capabilities we need to build [but] we can’t be as descriptive in terms of exactly what skill is needed at any point in time. And I think that’s uncomfortable for some”.*
- b** Leadership role modelling. Having an executive sponsor or senior leaders who visibly and actively promote reskilling initiatives can be a critical success factor. It’s also essential that the organisation climate supports development. The measure is not what leaders say, but whether they back up words with meaningful actions.
- c** Encouraging talent mobility. Leaders who hoard talent get in the way of people accumulating the work experiences they need to develop new skills. Unless there’s a strong culture of development with an expectation that managers facilitate internal mobility and support their teams in making developmental moves, managers may be reluctant to release their best performers to enable their development. Managers may need to be encouraged or incentivised to take on inexperienced staff who will be developed on the job.
- d** Equipping line managers with information about reskilling initiatives and the coaching capability to support their team members as they develop their careers. Andy Dent said: *“We need leaders who can create the conditions for people to be successful, and at the same time understand their future career ambitions. We need to help leaders become skilled at spotting the talents in their team and supporting their people to navigate opportunities internally”.*

2. COMMUNICATIONS AND CHANGE MANAGEMENT

“The main challenge is ensuring that employees understand that the journey is not only for the organisation – it is for the employees themselves”.

HR DIRECTOR BASED IN THE UAE

Reskilling is in essence an organisational change programme, therefore to succeed you have to apply the principles of behaviour change. It's essential to pay the same degree of attention to communication and change management as for a restructure or other transformation programme.

Communication needs to begin with a wider dialogue with the workforce about the strategic direction of the organisation and what it means for skills and careers. Communications should also highlight future skills that will be needed and signpost ways of learning and practising new skills.

It's important to start communications as early as possible and work with existing communications and employee consultation mechanisms such as works councils or employee representatives. Some organisations have explicitly built networks of change ambassadors or champions who act as a lightning rod for feeding back sentiment in the workforce and testing and promoting ideas. Additionally, consider fact-to-face communication for issues which are particularly important or sensitive: *“when something is important it should be communicated in person... it helps people to understand the importance and you can gauge their emotions”* explained one HR Director based in the UAE.

Some organisations run targeted campaigns around specific skills or offer incentives to people who undertake certain development programmes. Communicating success stories can convince doubters and build momentum. It's important to work with and foster employee motivation. *“Unless you communicate what the business expects, employees may not perceive there is a need for them to learn anything new,”* said Amanda Nolen. *“You have to communicate why it's important that employees develop their skills and be clear about what's in it for them”.*

One objective in taking a change management approach is to overcome people's reluctance to reskill, which may be more a question of fear of the unknown than unwillingness. As outlined in the case study of a GCC investment organisation on [page 38](#), this could include emphasising how the employee's current skills have helped the organisation to get to where it is today and are still valued.

Chris Legg outlined BTS's communication and strategy execution framework that is essential for the successful execution of any strategic initiative, emphasising three areas:

a ALIGNMENT

- **What is the strategy?** It is essential that people understand the overall direction of the company and key strategic initiatives.
- **Why it is important?** Employees need to recognise the context of why the strategy was formulated. This includes an understanding of changing customer needs, competitive pressure, regulatory constraints, and more.
- **How will it be implemented?** The organisation needs to know how the strategy will become a reality. It is particularly important that they understand their role in its execution, who else is involved, the process and the timing, and how to balance short vs. long-term priorities.

b MINDSET

- **Belief** – Employees in the organisation believe that the strategy is the right way to go and that the organisation can actually achieve it.
- **Passion** – Employees are confident that the strategy is going to make a difference for the company, the customer and themselves.
- **Urgency** – Employees have a sense of urgency and understand that if they do not make the strategy a reality, it will compromise the future of the business. Execution must be a priority.

c CAPABILITY

- **Business Acumen and Decision Making** – It is important that employees have a deep understanding of how the company makes money. Business acumen includes the drivers of profitability and cash flow, a market focused approach to the business, and an overall big picture understanding of the business and its interrelationships.
- **Management and Leadership Skills** – To accelerate execution within their area of the business, leaders need to effectively align, motivate and develop their people. This includes foundational leadership skills as well as deep expertise in developing talent, performance management, coaching, feedback and more.
- **Sales Skills and Focus on Accelerating Customer Results** – It is essential that sales organisations have the capability to articulate the company's value proposition, what it means to the client, and how it will enable them to succeed.




3. ENABLING TECHNOLOGY



“Most of these systems are only as good as the data you put in and the way you put it in. We try not to become a slave to the system. It is about having a mechanism to record the data, but actually it’s more about the regular touch points with managers, the regular feedback, the regular performance reviews... it’s an ongoing iterative process”.

IAIN MCLAUGHLIN, VICE PRESIDENT, TALENT, DUBAI HOLDING

The last few years have seen a major expansion of the technology available to support organisations’ strategies for developing skills. Increasingly powered by artificial intelligence, the tools promise to increase the transparency of skills in the organisation, infer people’s skills, recommend learning pathways and connect people with jobs and projects that enable them to develop new skills. For example, one HR Director based in the UAE emphasised how *“In organisations we structure people by skillsets, but it doesn’t mean that this person only knows this particular skill set that you’re talking about. So the beauty of these kinds of tools is that we are able to understand if people have skills in another pillar of the organisation”.*

A few years ago there might have been a clearer distinction between different categories of tools, for example organisations might have had a separate learning management system, candidate management system and HR system of record. Whereas now many of the platforms cover multiple elements of the employee lifecycle. This means it is increasingly difficult to segment the market. However, from the point of view of reskilling, there are a number of different categories of technology that come into play, including:

-  Learning platforms that provide access to digital learning content and recommend learning content based on individual preferences or browsing history.
-  Talent marketplaces that allow people to access internal job opportunities, short term assignments, gigs and projects and that might suggest opportunities based on an individual’s career history. They also allow managers to construct talent pools and identify potential candidates for jobs or project opportunities.
-  Skills modelling tools that allow organisations to analyse the skills profile of the internal and external workforce, support workforce planning, and identify potential pathways for reskilling.

-  Increasingly, core HR systems are offering solutions across the whole range of skills-based tools.
-  Typically each system has a skills taxonomy or job architecture that determines how the system views skills and provides a framework for analysing individual employees and workforce groups. These can be used off-the-shelf but often will require some configuration. Many organisations have their own taxonomies that they may wish to integrate with vendors’ tools to create a bespoke skills taxonomy for their business.

As we discuss throughout this report, skills are becoming the key focus for workforce strategies, and this trend is reflected in HR systems which are increasingly becoming skills-focused. A key challenge is how to translate skills from one platform or system to another. Amanda Nolen, an expert in learning technology, cautions against assuming that systems will automatically work together well. *“Vendors may claim that making different systems work together is simply a matter of using an API to integrate them, but it is rarely that straightforward in practice,”* she said. Each platform typically has its own definition of skills and often these do not speak to each other. Individual vendors may be able to offer a ‘best of breed’ solution, but integrating different systems in order to present a single interface to the employee is often easier said than done. For example, one of the high profile early adopters of a best-of-breed talent marketplace, a global multinational, has recently moved away from its specialist talent marketplace technology vendor because it did not integrate well with the company’s learning experience platform.

A bigger challenge is to make sure that the tools are used by managers and employees. To ensure high user engagement, it is important to have an intuitive and user-friendly interface that mirrors the user experience individuals are used to having at home. Systems that require employees to input their data multiple times across different interfaces are unlikely to be frequently used.

It is important to be clear about the use cases that the technology is there to address. This means finding solutions to issues that employees really care about, such as career progression. According to Amanda Nolen: *“You can have the best skills taxonomy and you can spend years getting it right. You can have all the latest skills technology. But if you don’t have a plan for what you’re going to do with it, how it connects to meaningful learning experiences that are going to get people a promotion or a pay rise or if it’s not clearly being used for hiring, then all of this is pointless, because the employee can’t see what’s in it for them. It simply becomes another competency framework”.*

Nolen recommends taking a human-centric approach to choosing your technology solution for skills. *“Look at your water cooler, so to speak. Where are people already going? What systems are they already using? They might not be the systems you want them to use, but you need to work with the natural flow of how people work. Rather than forcing people to use an LMS you need to think about how to bring the learning and resources to where they are”.*

One senior HR leader we spoke to based in the Gulf region outlined how the systems they use is a key challenge: *“It’s quite the challenge and there’s still a lot of hesitancy to upgrade things like the HR IS ecosystem that we utilise to capture all this information. We’ve got a lot of different bits and pieces but nothing talks to each other and a lot of the work is very manual. [The main barrier to upgrading] is cost because a new system implementation would be global implementation and the cost would be quite significant”.*

3.1 HARNESSING THE POWER OF TALENT MARKETPLACES

Talent marketplaces are a category of technology that are generating a lot of interest though have not yet been adopted at a large scale by most organisations we spoke to. Our discussions for this research highlighted various considerations and lessons learned from organisations which have implemented this technology. The key message is that successfully implementing a talent marketplace involves much more than simply selecting and integrating a technology platform. There are many policy and practical questions that need to be resolved, and continuing to engage the workforce in using the tools requires ongoing effort and commitment:

- 1. Be clear about the use case(s) you want to support and consider the implications and unintended consequences that may arise from that. For example, many organisations say their main objective is to connect people with tasks or projects they can complete alongside their current role, in which case, how will you create space for people to take on these tasks, and how will they be rewarded?
- 2. Consider how managers will use the marketplace and whether this requires a change in mindset. You will most likely have to invest much more in shifting mindsets than you might expect. If you are expecting managers to post their own ‘gigs’ or vacancies, is this something they are already used to doing? How will you get managers to share and release talent? Are managers prepared to take on someone who has potential but is not the finished product?
- 3. How does open posting of opportunities fit with your wider talent strategy, particularly with regard to developing high potentials? Will targeted development moves for high potential talent be managed through the marketplace or through another mechanism?

- 4. You need to agree what policies and rules apply to use of the talent marketplace. For example, is a hiring manager required to show that they have exhausted the possibilities of meeting their skills needs through the talent marketplace, before they are able to recruit externally? How do performance management and development processes recognise the work people do through the marketplace?
- 5. Start small by focusing on a specific skills area or rolling out in a receptive part of the business. For example, teams that are already used to working on agile projects may find it easier to make the transition to a different way of working.
- 6. Develop a comprehensive plan for communications and change management. It’s important to engage employees around explaining how it works and the benefits for them. It will also be necessary to have an ongoing programme of communication, marketing and education so people actually use the tools.
- 7. Consider which types of work will be most suited to internal gig working. It may be necessary to rethink the design of work so it is organised in projects or smaller tasks that people can take on to build their skills. This is discussed further on [page 41](#).
- 8. Consider running a pilot to iron out all the strategic, practical and policy-related implications of the implementation before proceeding further.

4. JOINED-UP PRACTICE IN HR

The experience of organisations who are taking a skills-based approach to preparing the organisation for the future highlights the need for joined-up thinking between the business strategy, workforce plan, talent processes, learning and on-the-job development. This has particular implications for careers and learning. To be successful, reskilling requires HR to act in a joined-up way. However, in our experience different parts of the HR function such as talent, L&D and career management often operate in silos.

In developing a reskilling strategy, it’s essential for each of the functions within HR to be aligned from the outset on the objectives of the programme and how each part of the HR function contributes. Amanda Nolen suggests that organisations consider appointing a Chief Skills Officer or similar who owns the process end-to-end. However, we find few organisations have such an individual with clear end-to-end responsibility for careers or long-term employability of the workforce.

One of the objectives of reskilling is to offer people an ongoing career with the organisation, where they are encouraged to grow with the business rather than seeking new opportunities elsewhere. This is an opportunity for employers to rethink their approach to career development. CRF research has found that career development in many organisations is not sufficiently focused on developing skills which are critical for future success of the organisation. Ways in which organisations can better align their career development processes with their skills strategy include:

- 1 Educate people on what skills will be needed in the future and how they might acquire those skills. Make sure the outputs of the business strategy and workforce planning processes are reflected in talent and career development processes.
- 2 As we move into a world of personalisation it's important to put the tools in employees' hands to assess and develop their own skills and plan their career. Technologies discussed above can increase the transparency of skills in the organisation, support internal mobility and provide a personalised learning experience.
- 3 Provide access to job experiences and relevant learning pathways to help people develop in-demand future-focused skills such as digital. An effective career development strategy needs to describe how people can identify and access the experiences they need to develop their career, whether it's through internal 'gigs', project assignments or permanent job moves. Technology platforms such as talent marketplaces are making it easier to provide a joined-up experience for individuals.
- 4 Leverage short-term assignments to facilitate learning new skills. Large projects can be broken down into smaller tasks. Individuals can be released for one or two days per week to learn new skills. Internal job boards and talent marketplaces can be used to advertise these assignments. It doesn't need to be limited to opportunities inside the organisation. Some companies also offer job swaps and exchange programmes with other employers, or with partners in their supply chain.
- 5 Inform managers and other professionals who support career development about career advice by providing information about how people can access relevant learning and opportunities.
- 6 Carve out time for people to invest in training. Vodafone's 'Spirit' days (see the case study on [page 30](#)) is a good example.
- 7 Consider partnering with local training and education providers to co-create programmes that combine training and on-the-job experience or provide access to local talent pools.

Each of these elements of the people strategy needs to be explicitly designed to work together, and the objectives and incentives of the different teams within HR need to line up consistently to enable joined up action.

CASE STUDY 3



The global telecommunications company is undergoing a technology transformation, leading to a significant shift in the skills profile required within the workforce. The company recently established a global learning organisation and implemented a new learning strategy, organised around ten critical future skills. The aim in establishing the learning organisation was to provide global frameworks for developing critical skills that could then be deployed locally.

Each of the ten skills has a global skills owner who sits within the learning organisation. They are accountable for the associated learning curriculum and for developing partnerships and supplier relationships to develop the learning plan for their area.

Vodafone's learning strategy is underpinned by an integrated talent system that links skills, learning and resourcing. Employees' skills data is initially captured when they are recruited as they submit a CV and are assessed against the skills profile for their role. Employees can complete a skills profile which is validated by their line manager. Employees can use this to calibrate their skills against future roles in the organisation and trigger relevant learning content to be pushed to them. Employees can also gain access to short projects through a talent marketplace, which allows them to acquire and practise skills on the job.

The company is developing a segmented view of how to develop skills. Each skill has a proficiency rating of one to five (one to seven in technology). The learning offer is different depending on skill level. At lower levels, learning materials are content-based and designed to bring all participants up to a basic level. At levels three and above, there are skills accelerators and apps which are more advanced development programmes, some of which will lead to formal certification. The aim is to distinguish between providing high quality basic content that's available to all employees and providing more advanced learning resources for specialists.

One of the barriers Vodafone encountered was employees lacked time to invest in learning. In response the company introduced four 'Spirit' days per year when people were encouraged to take time out to focus on their

The company introduced four 'Spirit' days per year when people were encouraged to take time out to focus on their learning.

learning. The learning organisation provides structured learning on those days but also encourages people to participate in their own learning. As a result, the company has seen a significant increase in engagement on its learning platforms on those days.

A key lesson learned is the importance of tailored communication to employees, to alert employees to the reskilling possibilities and raise the profile of programmes. The company tested four different communications strategies. The first 'Grow Future You' emphasised opportunities to gain new skills and invest in one's career through reskilling. The second, 'Grow with Vodafone', emphasised helping the company transform through reskilling. The third, 'Grow and Have Fun', put the emphasis on the joy of learning through reskilling. The fourth, 'Grow to Adapt' emphasised the importance of reskilling to stay relevant in a digital future. The test showed that the fourth message was the most impactful and motivating for employees in terms of their interest in engaging in reskilling.

Another key success factor is leadership engagement and support. The company set up an internal learning board which includes CEOs of the regional businesses. The board led the process of scoping out the ten key skills and deciding on investment priorities.

Results achieved so far include an increase in annual learning consumption per employee from 15 to 25 hours. Engagement and candidate attraction scores have also improved. Analysis has also shown that employees with higher engagement on learning platforms also on average report more job moves and promotions.

3.0 UNDERSTANDING FUTURE WORKFORCE NEEDS – STRATEGIC WORKFORCE PLANNING

“It’s genuinely hard to lay out a roadmap because the business environment is changing so much... a lot of it’s about having the ability to be agile, react, adapt to change, as much as the traditional view of long-term strategic thinking”.

IAIN MCLAUGHLIN, VICE PRESIDENT, TALENT, DUBAI HOLDING

A key conclusion of this research is that investments in reskilling need to flow from the business strategy. Reskilling requires clarity around the future skills requirements of the organisation and the nature and size of the gap between current and future state. This is the purpose of Strategic Workforce Planning (SWP), which is an essential enabler that underpins reskilling strategies.

The goal of SWP is to understand what capabilities will be needed to execute the business strategy; to work out where the gaps lie between current supply and future demand; and, most importantly, to build action plans to develop a workforce that supports long-term business goals. Actions may include reskilling, upskilling, investing in automation or robotics, redesigning work, tapping into the contingent workforce or restructuring the workforce. It is as much a mindset as a formal process and is about creating the conditions for managers to think deeply and systematically about the workforce that’s required to execute strategy effectively.

Practitioners in the region emphasised the particularly rapid business environment and fast paced change of skills requirements, and how this made Strategic Workforce Planning difficult. To help address this, they recommended building broader organisational capabilities in agility or resilience. Iain McLaughlin explained how *“It’s genuinely hard to lay out a 12 month, 24 month, 36 month roadmap because the business environment is changing so much. Even what organisations are looking at now is completely different to what they would have been a couple years ago. So, I think a lot of it’s about having the ability to be agile, react, adapt to change, as much as it is the traditional view of long-term strategic thinking”.*

An additional consideration for many organisations in the Gulf region will be meeting talent localisation targets, such as emitarisation or saudisation. Iain McLaughlin outlined Dubai Holding’s explained their approach: *“We are making sure that we are absolutely putting the right amount of focus on a) attracting and building our Emirati talent, b) developing and retaining them and c) ultimately ensuring there’s good representation right the way through the business. Focusing more on entry level emirati talent now – have engaged heavily with universities and planned to also engage schools. Also working with appropriate ministerial / government agencies to ensure we’re creating the ‘ecosystem’ of interdependencies to ensure we’re in the right places at the right times, talking about the right things”.*

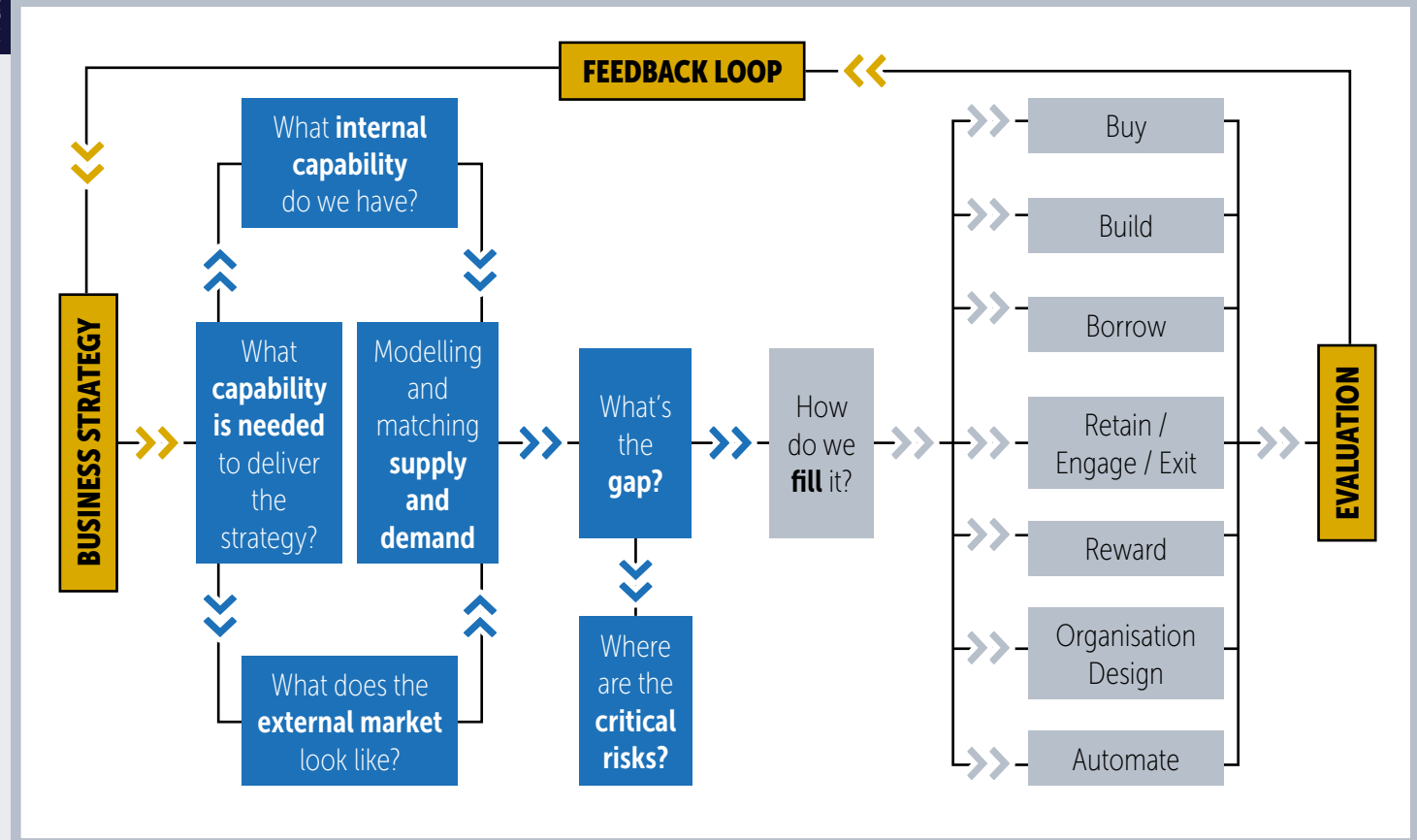
3.1

STRATEGIC WORKFORCE PLANNING MODEL

CRF's research [Strategic Workforce Planning: Unlocking Future Capabilities](#), sets out a framework for strategic workforce planning. Here, we summarise the key steps. For further information, please refer to the full report.

FIGURE 5

CRF Strategic Workforce Planning Model



SWP helps organisations consider questions such as:

- What strategic capabilities will the business need to master to execute its strategy?
- What new capabilities will we need to build or acquire? Which capabilities that we have today will no longer be required – and how should we tackle the surplus?
- How can we improve productivity through technology and automating work? How might we need to redesign jobs?
- Where are we likely to experience shortages and surpluses of talent?
- What actions can we take to avoid restructuring costs by better matching talent supply and demand?
- What is the current and future skills profile of the workforce and where do we need to take action to address gaps?
- Where are there skills adjacencies that offer the potential for reskilling?
- Where might we need to build greater flexibility into our workforce?
- How can we best prepare our workforce for the future of work?

1. WHAT CAPABILITIES ARE NEEDED TO DELIVER THE STRATEGY?

Before getting into detailed planning around workforce groups, roles and positions, it's important to identify the critical organisational capabilities required to build or sustain competitive advantage. The actions required to develop capabilities might relate to talent but could include other elements such as investment in new technology or automation, developing new partnerships or acquiring another business.

Teasing out the critical capabilities is an essential stepping stone to get from business strategy to workforce actions. This stage seeks to answer questions such as:

- What new work will the organisation need to be able to do, and where do we need to develop capability for the future?
- What work will we need to continue to excel at to sustain our position?
- What work has been part of our success to this point, but will have decreasing relevance in the future?

The analysis needs to focus on differentiating capabilities that have the greatest impact on business outcomes, are difficult to develop or are not in common supply externally.

2. WHAT INTERNAL CAPABILITY DO WE HAVE?

This stage involves understanding the current workforce and how it is changing in order to assess the availability of people to meet future demand. This means looking at factors including:

- Current size, location, and profile of the workforce (e.g. skills, length of service, demographic information, diversity data).
- Job / skills families and skills levels (skills may include both generic skills which apply to the whole workforce, leadership or management skills, and technical or job-specific skills).
- Expected major talent flows both in and talent management information regarding the future internal supply of talent.
- Resourcing mix (i.e. balance of external vs internal resourcing for critical workforce groups).

This stage of the process can be data-heavy and require data analysis capability in HR. However, by narrowing down the analysis to the strategic capabilities and talent identified in stage one, the effort can be focused where the greatest shifts are anticipated.

3. WHAT DOES THE EXTERNAL LABOUR MARKET LOOK LIKE?

Assessing the future shape of the workforce and potential workforce risks includes building a picture of the external supply of talent in the timescales required to fulfil the business strategy, including broader workforce, demographic and technological trends that may affect the availability of talent.

Relevant external market information would include:

- Changes in the working population in the markets in which the company operates.
- Understanding competitors for critical talent, and whether this competition is likely to increase or decrease.
- Likely future shortages or surpluses of key skills in current and future labour markets.
- Output of the education system in terms of subject, level and type of qualifications and quality of skills.
- The impact of innovation or automation. Is technology becoming available that will allow work to be wholly or partly automated? Will that result in demand for different skills?

- ★ Alternative sources of supply, such as outsourcing, contingent workers or acquihiring (buying a company primarily for the skills and expertise of its staff rather than its products or services).
- ★ Pools of workers currently working in other sectors who could be reskilled.

Examining these, and other relevant, factors helps build a picture of where the biggest changes in the labour market are likely to occur which might require the organisation to develop resource strategies.

MODELLING AND MATCHING SUPPLY AND DEMAND

Once the organisation has developed a point of view on the capabilities needed to deliver the strategy and examined data relating to the internal and external talent supply, it should be possible to develop models to match supply and demand, assessing the gaps between what the business will need and its potential future workforce supply. Sometimes this will be obvious – we need a lot more of X and it's hard to find – and will not require detailed modelling.

4. WHAT'S THE GAP?

The purpose of this stage is to identify gaps between future need and current supply and highlight the areas where action may be needed. This step may consider multiple timeframes, setting out when gaps are likely to open up, and allowing action to be phased in line with anticipated demands.

Gap analysis can be done both at the level of individual roles, workforce groups, or skills-based. Focusing on workforce groups or skills allows planning for cohort-based recruitment and development, or for reskilling programmes.

5. WHERE ARE THE CRITICAL RISKS?

A key aim of SWP is to identify the few critical things that will trip up the business if it fails to take action and that otherwise might have been missed by projecting forwards from operational plans. For example, capabilities that were previously in high demand becoming redundant as a result of technology shifts.

This step involves reviewing the gap analysis through the lens of risk. Where is our strategy most at risk if we fail to address the gaps effectively and in good time? Risk is not just about the size of the gap – it is a combination of the size of the gap, how

critical it is to strategy execution, and how difficult it will be to close the gap. Focusing on risk is an exercise in prioritisation: narrowing down all the possible actions to those which are most likely to address the key risks identified. It also opens up a conversation around options for mitigating the risks identified. Should we build partnerships across our industry to pool investments in new skills and share resource? Where might we need to invest in reskilling programmes?




6. HOW DO WE FILL THE GAPS?

Having identified the major gaps and risks, the next stage is to formulate an action plan. This stage forms a bridge between the business strategy and people strategy / plan. The process of SWP does not necessarily result in a single planning document but should feed into other business and people plans.

While some actions – recruitment and training – may be obvious, there may be other actions required such as investing in technology to automate certain tasks. Possible options available to address gaps and risks identified through SWP might include:

- ★ **Buying in talent through recruitment.** SWP helps differentiate between 'make' roles which are developed from within; and 'buy' roles, which are brought in from the external market. 'Make' roles – which may involve reskilling or upskilling – require a higher level of investment in training and development. Likely due to the pace of skills development required, several practitioners we spoke to in the Gulf region said that they were building their organisational capabilities through acquiring other, relevant businesses; *"we didn't have the time to wait to develop those capabilities – these are not capabilities that we can prepare [internally] in a year"* – Gabriella Kearney MEA Talent Director, Kearney
- ★ **Growing talent internally** through both formal on-the-job skill and career development, and deployment of people through developmental experiences.
- ★ **Create talent transition pathways** to smooth out internal demand curves or redeploy people from parts of the business where demand for talent is reducing, while avoiding blanket workforce reductions. One of the benefits of SWP is to reduce restructuring costs through better planning of redundancy or retrenchment programmes.
- ★ **Improving retention and engagement.** Analysis may indicate 'leaky' parts of the talent pipeline that need to be addressed through understanding and responding to the reasons for turnover.
- ★ **Developing differentiated EVPs.** Where the organisation is looking to hire skills it previously did not require (such as developing a new technical capability or hiring talent from outside its sector), or attract different talent segments (e.g. Generation Z talent, increasing diversity in the talent pipeline), it may be necessary to make







changes to the employer brand and employment value proposition. This could include offering more flexible patterns of work (especially part-time working), rethinking career pathways, developing mentoring schemes, or updating reward and benefits packages. Iain McLaughlin explained how, in the region, *"there's a double edged sword whereby there's so much investment coming into and across the region... it's definitely having an impact on the market in terms of the availability of talent and having to hone and be very clear about why our organisation"*.

-  **Rewarding employees for developing new skills.** For example, IBM reinforces its skills-based career development strategy by rewarding those who develop skills needed for the future. It provides managers with predictive analytics tools to help managers make skills-based compensation decisions.
-  **Automation of work.** Reducing the demand for workers or automating some tasks currently done by humans. Targeted mergers and acquisitions or acquiring, where a business is acquired for the purposes of securing its talent.
-  **Collaboration with the education system or government training programmes.** Several organisations have launched initiatives with local schools and universities, for example to encourage children to pursue STEM careers.

7. DID THE PLAN WORK?

The final stage involves evaluating and improving the practice of SWP and monitoring the implementation of actions arising from the plan.

Evaluation might involve asking stakeholders questions such as:

-  What do key stakeholders think about the results achieved relative to the costs incurred or effort involved?
-  Did we implement the actions agreed in the plan?
-  What impact did these actions have on business outcomes and key metrics?
-  Do we regularly revisit assumptions and update plans accordingly?
-  Do we communicate the results of SWP to those people in the organisation who need to know about them?
-  How can the process of SWP be improved?


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4.0 TAKING A SKILLS- CENTRIC VIEW OF THE ORGANISATION

In this section we consider an emerging workforce trend: the concept of the 'skills-based organisation'. While skills have always been important, in recent years key players in the HR space have suggested that skills are pivotal for organisations' continued success, and therefore need to be at the centre of people strategy. Increasingly we hear that skills are the critical currency in the future of work and organisations are exhorted to become 'skills-based.'

While there may be merit in focusing on skills, particularly in the context of reskilling, we are concerned that this risks becoming the latest HR fad. In practice, building a skills-based organisation implies turning people practices on their head to be based on skills rather than jobs, which could mean:

- Rethinking how work is organised, for example moving away from clearly defined jobs towards packaging work as one-off projects, executed by people working in fluid or agile teams.
- Redesigning work by breaking down jobs into their constituent parts before considering how the work is done and whether it can be automated, AI-enabled or outsourced.
- Recruiting people by matching the individual's skills, experience and potential to the skills profile and requirements of the role, rather than hiring on the basis of qualifications or previous job title. Some organisations are moving away from having rigid degree requirements for some roles to focus on assessing whether candidates have the right skills or the potential to develop those skills once they are hired. This also has implications for assessment and selection processes. Some companies report increased use of situational judgment tests and other tools that allow candidates to demonstrate competence in critical skills or to surface latent skills they may have acquired outside work, rather than asking them at interview whether they are currently practising that skill in their role.
- Matching people to internal jobs, projects and opportunities on the basis of skills.
- Designing learning pathways to support people to develop identified skills which might be adjacent to their current skillset.
- Aligning performance management practices to a skills-based approach.
- Adopting skills-based reward. Some organisations are experimenting with adopting pay-for-skills, but we find the practice of skills-based reward is not yet widespread and few companies understand how to do it at scale. Pay-for-skills has been particularly challenging to master due to a lack of good information on both pay and skills.

In the context of reskilling, there are clearly benefits to being able to redeploy talent as capability needs change. Talent marketplaces are a key technology being deployed in many organisations to better match the supply and demand of talent and to serve up opportunities for employees to take part in short term assignments and projects alongside the day job. However, what we find in practice is there are few organisations where wholesale deconstruction and redesign of jobs across the board is feasible. More typical is for this to happen in smaller pockets of the organisation, for example in technology, where work can more easily be organised in projects. There are also questions about whether fractionalised work that involves moving from project to project is what most employees want.

The market for technology that underpins this shift is becoming more sophisticated, with an expanding range of AI-driven tools and platforms that enable workforce planning, work allocation, learning and career development to be skills-driven and decoupled from specific jobs. See [page 27](#) for a further discussion of technology in the skills arena.

However, we would caution against getting caught up in the current hype around skills-based organisations. It's important to begin with the question: what is the business issue for which a skills-based approach could be the best solution? Consider which elements of a skills-based approach make most business sense. Be clear about the use case and be specific about how it will add value to your organisation. One senior talent manager we spoke to in the region shared how their organisation was taking this type of practical approach to being skills-based: *"I wouldn't go as far as saying that we're becoming a skills-based organisation, but I would say the skills assessments and resource allocation decisions, as well as promotions and others decisions, are made based more on skills than they perhaps were in the past"*, (refer to case study on [page 38](#) for further info).

"It's the classic situation where our HR data is not as good as it could be, therefore the output we get is not always completely accurate. However, it's a good starting point for a conversation between managers and employees to say 'this is what your history in the organisation has told us you have strength in. Let's talk through that and see where we might be missing something or you might be missing something. And then that feeds into the development plan. It's a new way of approaching it".

A TALENT MANAGER AT A GCC INVESTMENT ORGANISATION



4.1 ACCESSING ORGANISATIONAL SKILLS DATA – TAXONOMIES AND TOOLS

Moving towards a more skills-centric view means building and maintaining an accurate skills profile of the organisation is a priority for many organisations. Over the years organisations have struggled to develop useful skills frameworks and keep them up to date. However, many organisations globally are now using technology to develop skills taxonomies which they use to define future skills requirements and assess employees against these frameworks to get a current state of skills, for example through asking employees to complete skills profiles. As AI is becoming more advanced, the emerging tools can read across multiple structured and unstructured information sources including CVs, social media posts, performance reviews and job experiences. They use this data to infer individuals' level of skills, assess the breadth and depth of skills across the organisation and identify potential skills adjacencies. This information provides a foundation for workforce planning and reskilling.

These taxonomies also enable employees to receive personalised learning recommendations based on adjacent skills, alert employees to in-demand skills and warn them if their skills are going out of date. Talent marketplaces such as Beamery or Gloat facilitate skills development by connecting people with opportunities to develop and practise new skills on-the-job. The marketplace can act as a signalling mechanism, alerting people to hot skills. The new tools make it easier for employers to 'nudge' people towards developing high-value future-critical skills.

CASE STUDY 4

TRANSITIONING CAPABILITIES AT A GCC INVESTMENT ORGANISATION

An investment organisation based in the Gulf region (conducting investment activity across the world and across a range of sectors) identified a need to change their overall investment approach in order to maintain their business success in a changing world. This involved transitioning away from more traditional investment strategies and towards research and development and quantitative-focused investment. This resulted in a large-scale shift in the skills required in the organisation, with a particular focus on quantitative approaches to investing and the organisation-wide skillsets required to support these new investment priorities.

The organisation changed the entirety of their HR processes to support this shift in required skills, including conducting extensive OD work and shifting their approach to L&D. Specific steps included:

Learning, Development and Skills Assessment. The organisation is transitioning from an individual-need and bottom-up based approach to learning (where HR provided solutions to build skills that business areas had identified) to a more strategic approach of identifying overall areas of capabilities that need to be built as an organisation, and then cascading these down.

They revisited all role descriptions and are also using a technology tool to scrape data from employee profiles (e.g. using data from CVs, performance appraisals, and LinkedIn) to create an initial idea of an individual's strengths and potential skills gaps. Whilst there are sometimes gaps in the data gathered by the tool (e.g. if a LinkedIn profile is not up to date), they are addressing this by emphasising that this is a tool that can enrich development conversations, rather than conduct a definitive assessment.

They are also now working on creating their own fit-for-purpose platform to help create a more comprehensive employee profile, including the types of projects that employees have worked on and the training they have done at an organisation.

Change Management. They created periodic business reviews where the whole organisation is invited to sit in strategy meetings and learn about organisational priorities. Managers and leaders were also provided with training in how to manage conversations with employees, ensuring that the messages given to employees were aligned. Finally, there has been an emphasis that current skills are still valuable and are a strong foundation for the different approach required to take the organisation to the next level.

Performance Management. The organisation has redefined their talent philosophy and are putting in place a new talent management framework, which will lead to new ways of looking at rewards. Their approach to compensation and performance management system is also changing to reflect their more dynamic objectives;

they are encouraging more continuous feedback and capturing data throughout the year (rather than formal end of the year check-ins).

Skills-based: Use of Cross-functional teams / Agile working. Whilst the Talent Manager we spoke to emphasised that they would not describe the business as a 'skills-based organisation', they did highlight that they had moved to a way of functioning where 'skills takes precedent'. As part of this approach, they are conducting more cross-functional work, implemented through groups of employees from multiple areas of the organisation working together to address business problems:

- Selection for the cross-functional team is dependent on whether or not the individual has the capability to do the work, rather than their work grade or years of experience. This has led to junior employees with deep technical expertise leading teams of more senior colleagues (in terms of tenure). The more senior colleagues can also provide support in areas such as project, change or stakeholder management where needed.
- Initially (when this way of working began in 2021), the HR team would structure the cross-functional teams, choose a leader and instruct them to select their staff. However, more recently cross-functional teams have started to naturally form, which has helped to overcome hierarchy-based resistance (such as the most senior person wanting to lead a cross-functional team and bring in their team members to support them). Now there is more cooperation across those different groups and more self organisation.
- As it currently functions, leadership or a governance body will select a business issue they want to address, produce a scope of work and then employees can volunteer to work on that project. Appointed leaders of the cross-functional teams can also approach people who they think have the right skills. Even though their HR system is not 'where they want it to be' in terms of knowing everyone's capabilities, this process is helping awareness become clearer. Whilst the team lead is responsible for staffing their team, if the scope of work is communicated well, the leader will usually receive interest from people that want (and have the skills) to participate.
- The organisation uses technology to run continuous 360 feedback for the cross-functional team. They are also starting to compile an inventory of what each employee has delivered and what capabilities they've demonstrated, which will feed into the new employee profile platform mentioned above.
- Regarding impact, the Talent Manager said: *"It's completely changed the way that we work. It's broken down so many barriers. It's flattened out our management layers. Communication has been a lot faster, collaboration has been forced in a sense."* They also emphasised how it has unlocked hidden talent by encouraging people to use capability that they may not necessarily use in their 'business as usual' activities.

CASE STUDY 5



CREATING A SKILLS-BASED ORGANISATION AT STANDARD CHARTERED

Standard Chartered, the multinational bank is currently on a multi-year journey towards becoming a skills-based organisation. Andy MacLean, Global Head of Organisation and People Capability, outlined the key elements of the Bank's transition.

A key pre-requisite was to create alignment on what is actually meant by skills. Standard Chartered breaks down skills into three buckets:

- Human Skills (what you need to perform at your best).
- Behavioural Skills (what you need to interact effectively and appropriately).
- Technical Skills (what you need to perform a particular task).

The Bank's reskilling programmes focus on all three, with a big focus on identifying and developing the evolving technical skills that are most critical for the future.

The transition to becoming a skills-based organisation involves three phases:

- **Phase One** – Build the Learning Habit. Actions included launching a digital learning platform and future skills academies targeting priority skills identified by the business, which helped create a 'buzz' around the concept of a skills-based organisation. A priority was to improve learning content and increase the volume of bespoke learning through investing in internal content development capability. This resulted in significant growth in learning consumption, an improvement in net promoter scores and reduced cost.
- **Phase Two** – Nurture the Priority Roles. In phase two, the Bank developed three-month reskilling journeys for eight future priority roles, such as Universal Banker, Data Analyst and Cyber Security Analyst. For each role, employees can go to the 'gym' (practise internally developed brain training games), go to the 'playground' (take part in digital simulations) and go to the 'library' (access content on the digital learning experience platform). A talent marketplace also gives employees access to relevant work experiences. Prior to launch, each journey had to have a business sponsor who would guarantee that sufficient experiences would be made available in the marketplace, and that candidates would have access to mentors and work shadowing. *"This way, we made sure we were co-opting hiring managers to make sure they were supporting employees going on the journey to be redeployed into a new role,"* said MacLean. So far, 2,300 staff have taken part in these journeys, of which 84% have changed roles internally.

- **Phase Three** – Embed learning and skills into the Bank's DNA. Having the infrastructure in place to support its skills strategy is only one element of the transformation. The next phase is now focusing on unlocking productivity by better matching the skills held across the workforce (supply) to the work required by the business strategy (demand), as well as on helping colleagues to better understand the skills they hold and the skills they need to develop to pursue their career aspirations. Initially the focus of the Bank's talent marketplace was to advertise internal gig opportunities that people could take on alongside an existing role. As it matures it will be used to support skills-based hiring and to help manage peaks and troughs in talent supply and demand by enabling a more seamless 'flow' of colleagues with the right skills to the work required, particularly in the technology area. MacLean estimates that the cost saving of reskilling and redeploying people is in the region of US\$48k per person.

Lessons learned:

- A great deal can be achieved by providing a talent marketplace and simply enabling colleagues' natural ambition to find gig work. Even more can be achieved by ensuring the gigs advertised focus on specific skills areas that are of highest value to both individuals seeking to be future ready, and to the Bank itself. Phase Three will include a focus on 42 'hot skills' which will be communicated to employees. *"We will prime the pump by highlighting ways for people to access opportunities to develop these skills through the marketplace,"* said MacLean.
- As well as communicating with employees, it's important to educate managers in how to source skills from the marketplace.
- Where possible, think about how to align the availability of opportunities with the timing of reskilling programmes. You want there to be gigs or jobs available at the time when people are completing their education programmes.
- Having a common skills language is an important prerequisite for a skills-based organisation.
- It's also important to connect skills data with learning in a way that's meaningful and immediately applicable on the job, not just about consuming ever more digital content.

CASE STUDY 6



DEVELOPING A SKILLS TAXONOMY

Oil and gas supermajor bp has had an extensive programme to develop a company-wide skills taxonomy over the last four years. Prior to this, the organisation had numerous competency frameworks which were overlapping, not digitalised, and often out of date by the time they were published. Coupled with an investment in strategic workforce planning, the company now has much better visibility of current and future skills required to support its strategic direction through the energy transition. *"It's proving incredibly valuable in helping us understand current proficiency levels, getting a read on bench strength, diagnosing where we need to take action, and building development pathways and accreditation for future skills,"* said Ameet Thakkar, Vice President, Leadership and Culture. *"For example, it's helping us plan ahead in terms of hiring and developing critical future skills that are currently in short supply."*

One driver for this work was a desire to have a common definition of future skills which will be required across the organisation, such as digital and data analytics. *"Our aim was to develop one company definition of these and a common set of learning assets that each business unit could tap into,"* said Thakkar.

The taxonomy is integrated into people processes such as recruitment, learning and career planning. Employees can access skills profiles through the company's learning platform, Degreed, and rate their skills on a proficiency level of one to six. The system provides content and guidance on the steps they can take to progress up the proficiency level, and potential experiences that might help develop relevant skills. A key learning for Thakkar was the need to provide easily digestible content which is directly linked to proficiency progression, as people tend to find the volume of content available overwhelming. *"I can be at level two and then if I follow this particular learning pathway, I can see that my skills level has gone up. You have to make it specific and meaningful for people, not just put the tools in front of people and expect them to use them."*

A critical success factor was the investment the company made in communications and change management to help employees understand how the system worked and the benefits for them. *"Our supplier assured us it was intuitive and people could simply click a link and they would know what to do, but it didn't quite turn out that way in practice,"* said Thakkar. Audience research showed that people felt overwhelmed with access to learning content and the breadth of choice, therefore it was important to have a simple user interface with a compelling career narrative and simple instructions so people could clearly see what they needed to do. *"You have to give a clear answer to the question: what's in it for me? You have to consider how to change behaviour and work with that."*

As a next step, the company is experimenting with a skills inference engine, which predicts which skills people have and how they might progress. The engine reads career, learning, HR and performance data and uses natural language processing to provide an estimate of the individual's proficiency levels. *"The greatest challenges around skills taxonomies don't come from the technology; it's about human behaviour,"* said Thakkar. The experiment will determine whether inferencing will improve data accuracy and help get around the challenge of getting employees to keep their data current.

Our research and conversations with practitioners highlighted some practical considerations around developing and maintaining skills taxonomies:

- 1. It's important to have a single source of skills data that feeds all people systems. For example, PMI has developed a future-critical capability model that underpins all its people processes.
- 2. It needs to be easy for employees to complete and update their data. Again, a single data entry point is key.
- 3. Invest time in educating the business about the vision and value for the business and bring them along with you. Provide a compelling case for supporting the work as it will involve time and effort on their part.
- 4. Create a point of ownership for specific skills within the business. Some companies have appointed senior subject matter experts who are accountable for identifying future skills needs and developing and leading a skills development plan. For example, PMI has created a 'Capability Community of Practice' with SME's from across the organisation who meet regularly to coordinate skills development activities across their functional areas and share good practices.
- 5. Off-the-shelf skills taxonomies may help you get started but will most likely need to be augmented with your own data relevant to the skills that are unique to your organisation or are a source of competitive advantage.
- 6. Develop a plan for validating the accuracy of the skills data. For example, asking employees to validate data that's generated automatically by the system or checking user-generated data against company systems such as through skills-inference engines. Some companies ask line managers to validate skills data but several organisations we interviewed chose not to ask line managers to validate individual data as this was impractical and had the potential to generate tension between employees and line managers.
- 7. AI tools may give you a first cut of data but it is important to validate the accuracy of the skills data that emerges. Some organisations use focus groups involving functional leaders, subject matter experts and HR to validate skills data that's generated by AI.
- 8. Have a plan for keeping the data current. There need to be incentives for individuals to keep their skills data up-to-date, for example better access to career development opportunities through a talent marketplace, clear learning pathways that lead to things of value such as accreditations or badges, and skills-based reward.
- 9. Focus on a few critical future skills that are sources of competitive advantage for your organisation rather than trying to boil the ocean.



4.1 IMPLICATIONS FOR WORK DESIGN

At the same time as we are seeing a shift towards a skills-based view of the organisation, we are witnessing major changes in the way work is designed. The emerging world of work sees workflows and jobs being broken up into tasks which can be automated and reconfigured in ways which increase productivity and make jobs more meaningful for humans. The traditional model of work – jobs configured in a fixed hierarchy – is being supplanted by reconfigurable agile multi-functional teams of people who come together on a temporary basis to deliver specific outcomes. According to Ravin Jesuthasan, bestselling author on the future of work and Global Leader for Transformation Services at Mercer, breaking down the ‘job’ as the singular concept for work and rethinking in terms of skills, is at the core of many organisations’ agile transformations. This shift in the way work is designed can be used as an opportunity to rethink how people connect to work in order to support reskilling.

Jesuthasan and John Boudreau, in their book *Work Without Jobs*, describe three distinct ways in which people connect to work: fixed, flex and flow talent.

FIGURE 6

How People Connect to Work

	Employees in FIXED roles	Employees in FLEXIBLE roles <i>(partially fixed but can flow to work as needed)</i>	Employees fully FLOW to tasks, assignments and projects
	Regular full-time employees, perhaps due to a convenient volume of work that fits a regular job or compliance or control reasons that justify offering a fixed full-time assignment.	Partially fixed because of work volume or skills dedicated to a job but can flow to specific challenges as needed. Such roles often emerge from internal marketplaces where regular job holders take on additional project work.	Capabilities are required in short-term bursts by several different work processes (such as a freelance or project-based data scientist who moves among projects in marketing, HR and operations as needed).
	ORGANISATIONAL IMPERATIVE: CONTROL	ORGANISATIONAL IMPERATIVE: CAPACITY MANAGEMENT	ORGANISATIONAL IMPERATIVE: CAPABILITY DEVELOPMENT
ENABLING INFRASTRUCTURE	<ol style="list-style-type: none"> 1. Job architecture: Particularly relevant when the work and skills required are relatively stable 2. Workforce planning: More traditional headcount planning 	<ol style="list-style-type: none"> 1. Job architecture and marketplace: Particularly relevant as work and the skills required are changing 2. Workforce planning: Traditional headcount planning and skills-based planning 	<ol style="list-style-type: none"> 1. Marketplace: Particularly relevant for ‘stretching’ scarce skills and when the skills required for work are changing quickly 2. Workforce planning: More agile work and skills-based planning

Adapted from Jesuthasan & Boudreau, *Work Without Jobs*, 2022

CASE STUDY 8



Unilever

Unilever's agenda for designing the future of work is based on three public commitments:

- To reskill or upskill all employees to have a future-fit skill set by 2025.
- To pioneer new employment models to provide all its employees with flexible employment models by 2030.
- To help equip young people with essential skills to prepare them for job opportunities by 2030.

The company has committed to report on these commitments in its annual report and accounts.

Unilever's approach to reskilling seeks to prepare people for key future roles by bringing together learning and job experiences. It recognises that providing learning on its own is not sufficient: people need on-the-job experience to build and demonstrate the skills they're learning. The supporting infrastructure has two key elements: a learning platform which serves up relevant learning content and a talent marketplace which connects people to open assignments, allowing them to put their skills into practice. The two systems are integrated so an employee who is learning a new skill can find an open assignment that might offer the opportunity to put the learning into practice. Analytics show where demand is greatest and allows the company to fine-tune its learning offer in response.

The introduction of these tools is indicative of a shift away from a more directive approach to career development towards a more adult-adult relationship – putting the infrastructure in people's hands to create their own careers by flowing to places in the organisation where they can realise their individual purpose. This mindset shift is underpinned by the company's programme of purpose workshops, which is being rolled out across all employees. The workshops help employees make sense of their personal purpose and work out how they can connect that to the company's purpose and bring it to life at work. One outcome is each individual develops a Future-Fit plan following the workshop. This involves identifying skills the employee has acquired through their career and comparing them with future-fit role plans created from the company's strategic workforce planning process. The plans highlight areas of fit and defines the gaps between where the individual is today and where they would need to develop to be fit for these future roles. For the company, the plans provide useful data on current and future skills to inform talent review and performance discussions, as well as assisting in workforce planning and deciding on investments in learning and development. It also supports upskilling and reskilling by helping identify role overlaps and adjacencies.

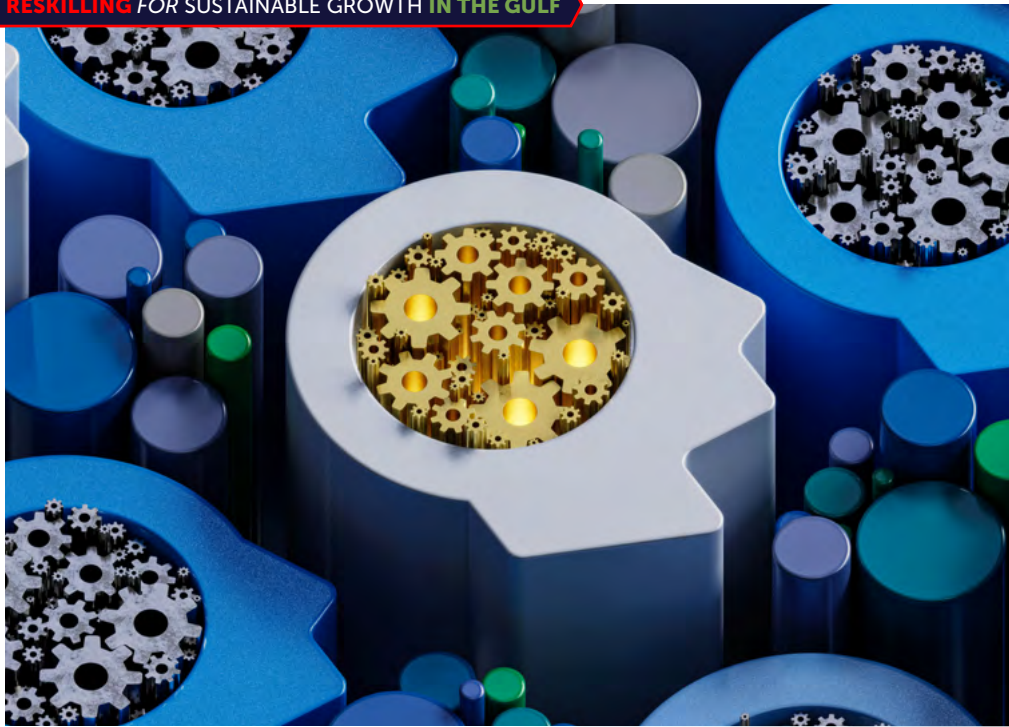
Employees use the skills review tool on the company's learning platform and its skills taxonomy to assess their skills. The skills review involves answering a series of questions about the skills the individual has. The tool analyses the responses to infer their skill level and the individual's manager endorses the completed skills review.

"We need to change from rewarding leaders for having a bigger team and keeping their best talent captive in their function to focusing on broader impact. We need to incentivise the giving and getting of talent to achieve business goals".

JESUTHASAN, WORK WITHOUT JOBS

Moving along the continuum from Fixed-Flex-Flow, employees complete an increasing proportion of their work through non-fixed tasks. Technology platforms such as talent marketplaces can be used to match individuals to work and to balance the supply and demand of talent. Jesuthasan said: *"By deconstructing jobs and redeploying tasks to optimise work, organisations can create new jobs that reflect changing skills needs and make work more accessible to non-traditional talent"*.

According to Jesuthasan, moving towards flex and flow also requires a rewriting of the rules of work and how leaders lead. *"We need to change from rewarding leaders for having a bigger team and keeping their best talent captive in their function to focusing on broader impact. We need to incentivise the giving and getting of talent to achieve business goals. People need to be able to take on a side project without fear that their boss will think they have time on their hands or will give them more work. We need to encourage people to acquire new skills through gigs"*. The flex and flow model also requires organisations to develop new management skills around resourcing, workload management and connecting skills to work.




5.0 CONCLUSIONS

"I think HR is at an inflection point and there is this golden opportunity for them to take the lead. Are they going to be leaders in probably the most pivotal point and period in the history of work or will they be side-lined as order-takers and taskmasters as other parts of the business make critical decisions that impact the workforce? HR must get involved and be part of the solution and path forward while offering a unique human capital perspective that complements other perspectives from the business".

CHRIS LEGG, MANAGING DIRECTOR – MIDDLE EAST AT BTS

RESKILLING FOR SUSTAINABLE GROWTH IN THE GULF

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 The 2020s will likely be a decade of wide-reaching change across the Gulf region. Several long-term trends will reach a critical point in the coming years, including large-scale economic diversification and the drive for increasing talent localisation. Countries will also need to take imminent action if they are to meet their Net Zero or sustainability targets, and the full impact of new AI tools – increasingly placed at the centre of transformation plans in the region – is yet to be seen.
- 
 The pressure on organisations to run their businesses responsibly in line with changing social norms together with the difficulty of hiring new skills demands different approaches to thinking about the workforce, skills, recruitment, retention, learning and reskilling.
- 
 Developing a future-ready workforce starts with the business strategy and workforce plan. HR will need to become much more long-term, business-focused and creative in its thinking about skills, learning and talent management.
- 
 Technology offers huge promise but should not be seen as a silverbullet for the upcoming skills crisis. HR will also need to invest in developing new talent approaches, updating business processes, enhancing the employee experience and improving the quality of communications with the workforce to keep people informed about the strategic direction of the business and what it means for jobs and skills.
- 
 The challenge for learning teams in particular is enormous. We need to move away from providing ever increasing amounts of content that lead to employees feeling overwhelmed, towards better integrating the talent and learning agendas so people can find opportunities to develop their skills and integrate learning into the flow of work.

6.0 APPENDIX

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6.2

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A number of participants also chose to remain anonymous.