Navigating the end of jobs
Skills replace jobs as the focal point for matching workers with work
Coauthored by Karen Weisz.

Since the dawn of the industrial age, the job has been the defining structure for organizing and managing every aspect of work. That approach made sense when business changes occurred slowly, and workers were just pieces in the industrial machine. The solution? A skills-based approach to managing work and workers, delivering business agility and worker autonomy by enabling work to be performed beyond formal job boundaries.

The concept of the job—a predefined set of functional responsibilities assigned to a particular worker—is so ingrained in how organizations operate that it’s hard to imagine any other way of managing work and workers. Yet many recognize this traditional construct is failing to serve our boundaryless world. Our skills-based organization survey revealed that only 19% of business executives and 23% of workers say work is best structured through jobs. As a result, a growing number of organizations are beginning to imagine work outside of the job—turning workforce management on its head by increasingly basing work and workforce decisions on skills—not formal job definitions, titles, or degrees.

This shift is being driven by several related factors:

Performance pressure. Thirty percent of our skills-based organization survey respondents report their organizations are ineffective at matching the right talent to work. A skills-based approach boosts productivity, efficiency, and effectiveness by better aligning workers with work that fits their skills and capabilities, including technical skills, soft or human skills, and potential
future skills in adjacent areas. Organizations that do this effectively can unleash worker potential to drive greater value and are 52% more likely to be innovative.²

**Need for agility.** Sixty-three percent of business executives report workers are focused on team and project work that falls outside their current job descriptions. Further, 81% of executives say work is increasingly performed across functional boundaries. A skills-based approach improves organizational agility by enabling workers to be quickly deployed—or redeployed—based solely on their skills and the work that needs to be done, irrespective of their job title or functional area. Organizations with a skills-based approach are 57% more likely to be agile.³

**Talent shortages.** Focusing on skills helps alleviate talent shortages by providing a more expansive view of the work people are able to do, instead of artificially limiting the talent pool to people with specific backgrounds and job histories. This also allows organizations to mitigate talent shortages by plugging gaps with internal resources instead of hiring from outside. Organizations with a skills-based approach are 107% more likely to place talent effectively and 98% more likely to retain high performers and have a reputation as a great place to grow and develop.⁴

**Increased focus on equitable outcomes.** A skills-based approach also helps promote diversity and equity in the workplace. In the skills-based organization survey, 75% of executives say hiring, promoting, and deploying people based on skills (versus tenure, job history, or network) can help democratize and improve access to opportunities. Merck and IBM, for example, are part of a coalition called OneTen that is committed to hiring, upskilling, reskilling, and promoting one million Black people without four-year degrees by shifting to a skills-first approach.⁵

**The readiness gap**

In the Deloitte 2023 Global Human Capital Trends survey, 93% of our respondents said moving away from a focus on jobs is important or very important

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**SIGNALS: THIS TREND APPLIES TO YOU IF …**

- Your organization spends too much time adjusting job descriptions to accommodate changing work
- You are losing top talent as a result of inadequate development opportunities to grow adjacent skills
- You are having difficulty accessing talent due to overreliance on degrees and previous roles over skills and potential aligned with emerging business priorities
- Promising, diverse candidates are being screened out of talent pipelines due to their supposedly inadequate job history
- Workers are struggling to find new opportunities outside of their siloed business units
to their organization’s success. Yet only 20% believe their organization is very ready to tackle the challenge, representing the largest readiness gap of all trends surveyed (figure 1).

What’s holding organizations back? According to the skills-based organization survey, the top challenge/obstacle is legacy mindsets and practices, cited by 46% of business and HR executives as one of the top three obstacles to transforming into a skills-based organization. Technology is not the issue; only 18% cite lack of effective skills-related technology as a top three obstacle, the lowest of the 10 obstacles listed.

The new fundamentals

Define work based on the skills required. Instead of defining work as a specific set of tasks and responsibilities (i.e., a job), define work primarily based on the skills it requires. Organizations will need to first consider their strategic objectives or desired outcomes, then identify the work that needs to be done to achieve them and the skills required to do that work.

Collect and analyze data about worker skills. Thanks to recent technology advances in skills assessments, skills inferencing, analytics powered by artificial intelligence (AI), and live “tryouts” for evaluating external candidates, organizations have access to a differentiated level of work skill data. Similar technology can be used to inventory the skills of existing workers, supplemented with more holistic data about workers’ interests, values, work preferences, and more.

Collecting data about workers can be controversial, as discussed in our “Negotiating worker data” chapter. However, in the context of skills, our research suggests workers are more open to having this data collected. Eight in 10 workers are willing to have their organization collect data about their demonstrated skills and capabilities and seven in 10 are willing to have data collected about their potential abilities. This even extends to using AI to passively mine worker data as they work, with 53% of workers seeing this as positive.

View workers based on their skills, not job titles. Instead of viewing workers narrowly as job holders performing predefined tasks, view them holistically as unique individuals with a portfolio of skills to offer—and then match them with work that aligns with those skills. The work might be performed by an individual, a team, or a shifting set of resources, each person contributing their appropriate skills (while improving their current skills and developing new ones), then moving on to other work when their particular skills are no longer needed. As part of the deployment process, it’s ideal to match workers with work that aligns not only with their skills, but also with their unique interests, values, passions, development goals, location preferences, and more—since people are happiest and most productive when doing work that fits who they are and what they care about. Doing so will help workers maximize their personal contributions and growth. It will also help create a more equitable and human-centric worker experience, creating value for workers and society at large.

Make decisions about workers based on skills. Beyond matching workers to work based on skills, organizations will want to make skills the

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FIGURE 1

The readiness gap for a skills-based approach

| Moving away from the job construct is important or very important to my organization’s success | 93% |
| My organization is very ready to address the movement away from jobs | 20% |

focal point for all workforce practices throughout the talent life cycle—from hiring to careers to performance management to rewards—placing more emphasis on skills and less on jobs. For example, in hiring, that means evaluating candidates based on skills and capabilities rather than degrees and certifications. More than one in three respondents to the Deloitte 2023 Global Human Capital Trends survey state that they are not using skills to help their workforce meet their fullest potential, highlighting an opportunity to embed skills throughout the talent life cycle.

“Skills can be a very objective, quantifiable measure of capability and proficiency. We’re able to use skills data as an input into workforce planning decisions, where we take a lot of different data sets, and we align that to business strategy. With Cisco being a large, complex global organization, this strategy will allow us to be nimble and very intentional about our workforce planning decisions.”

— Kate Driscoll, Workforce Strategy and Organizational Design leader, Cisco

Current experiments: What leading organizations are exploring

- **The US Army Civilian workforce** is implementing a career-pathing capability for its contracting and logistics professionals, moving toward a skills-based organization with increased flexibility to meet changing mission needs and workforce agency to enable employees to better own their career and stay longer within the Army. The career-pathing approach allows Army leadership to visualize the skills and preferences, not just positions, of its current talent, shows fit alignment to future-state roles, and leverages talent data to support a more resilient and sustainable future workforce.

- **A financial services organization** developed a virtual career assistant that uses AI to mine employees’ skills and interests to determine their most suitable jobs—and where training could help them pursue new opportunities.

- **Morning Star**, the tomato-processing company, has only two management layers: the president, who makes strategic decisions, and everyone else. Instead of job titles, workers create their own list of outcomes and problems to be solved, with authority and pay based on skills, expertise, and value created—rather than position. For example, one worker’s personal mission is to turn tomatoes into juice in a way that’s highly efficient and environmentally responsible.
The path forward

FIGURE 2
Survive. Thrive. Drive.

<table>
<thead>
<tr>
<th>Survive</th>
<th>Thrive</th>
<th>Drive</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Remain viable in the marketplace</strong></td>
<td><strong>Differentiate to gain competitive advantage</strong></td>
<td><strong>Lead the market by radically innovating and transforming</strong></td>
</tr>
<tr>
<td>• Deconstruct work to its lowest level and define work outcomes to align with business priorities</td>
<td>• Expand skills inventory with a greater focus on future skill needs</td>
<td>• Extend the talent marketplace to include your entire workforce ecosystem (internal and external workers)</td>
</tr>
<tr>
<td>• Inventory current skills in critical workforce segments</td>
<td>• Define broad work clusters based on outcomes or challenges to be solved</td>
<td>• Involve workers in cocreating their own customized work experiences</td>
</tr>
<tr>
<td>• Create a work architecture by mapping work to skills to jobs</td>
<td>• Establish an internal talent marketplace to match workers to work and learning</td>
<td>• Use skill adjacencies and AI for emerging work, reskilling opportunities, and career progression</td>
</tr>
<tr>
<td>• Pay for hot skills versus priority jobs</td>
<td>• Refocus leaders on managing to outcomes, not job-based tasks</td>
<td>• Set compensation based on a worker’s skills and outcomes achieved</td>
</tr>
<tr>
<td>• Link skills to learning to unlock workforce potential</td>
<td>• Increase access to talent through screening criteria that emphasize skills over job history</td>
<td>• Transform talent management so that all practices are skills-based</td>
</tr>
</tbody>
</table>

Source: Deloitte analysis.

Looking ahead

A skills-based approach is not an invitation to exert more control over what people do by using algorithms to assign people to ever-smaller pieces of work based on ever-narrower definitions of skills. Talent marketplaces today, in contrast, use AI to suggest new opportunities to people (e.g., projects, tasks, mentors, learning experiences, and more), granting workers autonomy and choice in what they decide to pursue.

To thrive, organizations should trust workers to deliver outcomes based on their skills, interests, and potential, not just their past credentials and job history. It will also require a willingness to assign work based on adjacent skills, not just current skills. This will give workers opportunities to grow in adjacent areas by building on the skills they already have, which is extremely beneficial both for them and the organization.

Efforts to adopt skills-based thinking range from modest to radical. Some are starting with classifying skills, while others are doing away with the concept of jobs entirely. In a conversation with M&T Bank’s Chief Talent Officer Neil Walker-Neveras, he shared, “When the Paycheck Protection Program (PPP) was rolled out during the pandemic, we had to stop thinking about jobs and start thinking about skills. We were the number six Small Business Administration lender in the country—and the number one in much of the Northeast US—so we had a responsibility to help
small businesses stay viable. By focusing on skills versus jobs—and rapidly mobilizing talent in an agile way—we outperformed our peers, funding 96% of qualified applicants loans in the first round, and 100% in the second round, versus peers with more advanced technology that struggled to fund more than 50% in the first round.”

Regardless of which approach you take on your journey to become a more skills-based organization, one thing is clear: There are significant outcomes to be achieved, both for the organization and for the workforce.

Deloitte’s 2023 Global Human Capital Trends survey polled 10,000 business and HR leaders across every industry, with 105 countries participating. The survey data is complemented by interviews with executives from some of today’s leading organizations. These insights gathered shaped the trends in this report.

FIGURE 3

Benefits from effectively matching workers to work

- Benefit to organization
- Benefit to workforce

<table>
<thead>
<tr>
<th>Benefit to organization</th>
<th>Benefit to workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased financial performance</td>
<td>41%</td>
</tr>
<tr>
<td>Increased retention</td>
<td>33%</td>
</tr>
<tr>
<td>Enhanced ability to anticipate future disruptions</td>
<td>26%</td>
</tr>
<tr>
<td>Enhanced agility in meeting workforce needs</td>
<td>26%</td>
</tr>
<tr>
<td>Opportunities for increased innovation</td>
<td>26%</td>
</tr>
<tr>
<td>Increased worker engagement and well-being</td>
<td>22%</td>
</tr>
</tbody>
</table>

Endnotes

1. Sue Cantrell et al., *The skills-based organization: A new operating model for work and the workforce*, Deloitte Insights, September 8, 2022; the article features data from Deloitte's skills-based organization survey, which polled 1,021 workers and 225 business and HR executives across a range of industries and in 10 countries, namely Australia, Brazil, Canada, Germany, India, Japan, Singapore, South Africa, the United Kingdom, and the United States.

2. Ibid.

3. Ibid.

4. Ibid.

5. PRNewswire, “OneTen launches technology platform to create and enable one million career opportunities for black talent over the next 10 years,” June 29, 2021.

6. Cantrell et al., *The skills-based organization*.

7. Ibid.

8. Interview with authors.

9. Based on work done by Deloitte with this client.


11. Interview with authors.

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Navigating the end of jobs

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