



**BE FUTURE READY WITH
AI-POWERED SKILL INTELLIGENCE**

The Business Case for Skill Intelligence

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A few years ago, World Bank Group was in trouble. The organisation had a tremendous amount of external pressure and a leadership crisis as well. In order to reset some of those items, executives set a hiring freeze to get their arms around the biggest priorities and stem further losses.

But work still needed to get done. So the talent team put together a rudimentary, homegrown marketplace as a temporary measure to allow managers to post internal needs and employees could respond to them if they had the availability and skills necessary to do the job.

After the hiring freeze and the associated crisis had passed, the team planned to disband the marketplace. However, due to popular demand from the workforce, it was left intact.

Employees want to put their skills to use

Why was there so much demand for this, especially when many talent initiatives are met with little enthusiasm or support? In multiple facets of our ongoing research efforts at Lighthouse, we see that the workforce has a clear interest in seeing their skills put to work, and an employer that acknowledges and leverages those skills creates opportunities to support and engage those employees on a regular basis.

But if we do not know what those skills are, where their strengths lie, or how to tap into their hidden talents, we're going to miss that opportunity to create a deep, meaningful connection with our people.

That's where AI-powered skill intelligence comes in

It enables business leaders to see and understand what their people can do. It allows the workforce to explore their own strengths and how they relate to their current and future career opportunities. And it can allow us to make business-critical decisions more quickly and with more confidence.

But I'll admit, it sounds too good to be true.

One of the biggest challenges for employers when it comes to this conversation about the inherent value of exploring and understanding the skills of their workforce is that at best, it feels too abstract. At worst, there's skepticism: could there really be value in this, or is it just another shiny object?

Let's be frank: the cost of bad, incorrect, or just unclear data within the business can cost organisations millions of dollars a year¹. If that's true in sales and marketing, operations and finance,

¹ <https://www.itbusinessedge.com/database/what-does-bad-data-cost/>

or supply chain and logistics, why wouldn't it also be true with regard to workforce talent?

But that doesn't have to be the case. Just like those other functions are increasingly prioritising data clarity and evidence-based decision making, we can also do the same within the HR, talent, and learning domain as well.

AI has the potential to increase HR scalability, recognise patterns in people's behavior and offer personalised support where and when needed.

What you'll learn in this report

Drawing on a Lighthouse Research & Advisory study of more than 1,000 employers and thousands of workers, as well as executive interviews with talent and business leaders from around the world, this report:

- **Explores the concept of skill intelligence**
- **Examines how artificial intelligence forms the core of these initiatives**
- **Explains the use cases and applications, making this discussion very concrete**

Our goal is to help you understand how AI and skill intelligence can help your organisation uncover better insights about the business, make predictions, and effectively respond to dynamic market changes.



Mapping the Universe of Skill

A short while back, our team conducted an experiment to see if AI is better than humans at analysing and understanding unstructured text. While that sounds complex, it was pretty straightforward:

- We gathered 1,000 survey responses on manager relationships, stress, and other work-related items
- We let several consulting firms analyse the data and provide insights into what our “workforce” was thinking
- We pushed the data through an algorithm that analyses qualitative data for themes and moods

While the consultants were helpful, telling us “70% of our people had stress with their managers” wasn’t specific enough to understand what action to take

next. However, the algorithm could quickly pinpoint the fact that:

- Women with children had a higher level of stress related to work schedules than other peer groups,
- People working in certain jobs were much more likely to see manager friction, and
- Engagement was lower for people with different income levels.

In the end, we found that AI was better than humans at consuming, analysing, and identifying insights in large sets of data. That takeaway applies in a lot of areas where large amounts of unstructured data exist. And one of the hottest areas in the business world right now is skills.

“We’ve introduced a new set of values for the organisation and have pinned all our learning and development opportunities to these values. We use the skills ‘container’ in Cornerstone for these values so that we can use them in performance reviews, competency assessments, and learning. We’ve built ‘recommended routes’ for critical positions so that team members know what is needed to be successful in those roles.”

– Jeanne Bonzon, Director, Learning & Development, BJC HealthCare

2 <https://www.livecareer.com/resources/special-reports/skills-gap>

Tapping into the universe of skills

One of the biggest challenges facing leaders today is the ability to effectively gather and utilise skills data in order to understand, develop, and provision talent to dynamically meet the needs of the organisation.

Organisations might consider asking employees directly. When considering the wide variety of different responses that might exist, you begin to realise an entire universe of skills exists.

For example:

- **ONet, the U.S. library of job-related skills, has 35 unique skills, 52 different abilities, 41 work-related tasks, 16 work styles, and a variety of other relevant combinations of values and factors that tie into virtually every job that exists.**
- **The European Dictionary of Skills and Competencies (DISCO) includes a list of 7,000 unique terms and 3,000 related synonyms.**
- **The average job posting lists 22 different skills.²**
- **Discussions with a range of industrial/organisational psychologists puts the most relevant skills in any particular job as low as 20 and as high as 50 discrete, specific skills.**
- **Evidence shows that discrete skills are becoming increasingly important while broader and more abstract degree programmes are becoming less so.³**

While leaders may be able to identify some of the skills within some of their people, there's no way they have enough clarity to understand the kind of skill insights that are necessary to make critical decisions across the workforce population.

<https://skillsreport.cornerstoneondemand.com/#/key-findings>



The power of AI to surface skill adjacency and skill relationships

We also have the problem of skill relationships. Let's look at one more example to make this discussion more concrete.

Let's say we agree that leadership is the most important skill for managers to develop and use. But leadership isn't a skill--it's a family of related skills. Things like agility, delegating, and authenticity are all important aspects of demonstrating leadership competency.

But what if we agree, instead, that communication is the biggest skill priority for leaders? As you might have caught on, communication is actually a bundle of related skills as well. Things like verbal communication, storytelling, and positive reinforcement.

Now take a second and think about how many skills overlap between the communication and leadership skill groups. The reason for this deeper dive is to help paint the picture of just how difficult it would be for any of us, even the most data-driven and analytical thinkers, to capture and understand this information, especially within the enterprise.

But AI can.

With the right application of machine learning and artificial intelligence technologies, employers can go beyond tracking skills to enable action-oriented talent practices like never before



Use Cases for Skill Intelligence Technology

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A clear theme has emerged for our team that indicates the best way to share and explore a new type of technology is to associate it with real, existing problems that it can solve. That takes the conversation from theoretical and abstract to concrete and tangible.

With that point in mind, the graphic below outlines the applications of skill intelligence not just for key talent practices, but for business needs as well. Use this information as a business case foundation, a roadmap for value, or just a conversation starter within your organisation to drive interest in what this living, breathing picture of your organisation's skills can tell you.

TALENT USE CASES	BUSINESS USE CASES
CONNECT LEARNING TO GROWTH IDENTIFY SKILL GAPS TO FILL, AND GUIDE LEARNERS TOWARDS RELEVANT CONTENT	RESPOND TO CHANGING MARKET CONDITIONS TARGET AGILITY-RELATED SKILLS OR BUSINESS CRITICAL SKILLS
ENABLE CAREER PATHING SUPPORT EMPLOYEE GROWTH THROUGH RELATED SKILL PATHWAYS	ENABLE RESPONSIVE SERVICE SPECIFY AND DEVELOP THE SKILLS RELATED TO THE SERVICE QUALITY THE ORGANISATION SEEKS TO ACHIEVE
RAPIDLY ASSIGN PROJECTS/GIGS TARGET THE RIGHT OPPORTUNITIES TO THE RIGHT PEOPLE	ACHIEVE SALES GOALS IDENTIFY SKILLS FOR HIGH PERFORMERS TO DRIVE THE RIGHT OUTCOMES

Skill intelligence is essential to business survival

From an executive perspective, one of the most important goals is ensuring that a stable foundation exists from which to drive business outcomes. Fundamentally delivering on the talent use cases listed above can drive retention, engagement, and performance by aligning work with the skills needed to do it.

AI-powered talent solutions can support these use cases by identifying the existing skills of the workforce and using that as a baseline for identifying gaps, supporting pivots, and prioritising activities throughout the business. Again, humans simply can't accomplish this, no matter how many spreadsheets or people they assign to the task. The human brain simply isn't designed to accomplish that feat.

What is needed is data-rich, ethical AI that does the heavy lifting, tapping into skills, content, and people data to augment manual processes. This approach creates a better experience for people (i.e. engagement and retention by enabling career growth and internal mobility), and supports the development of a workforce that is agile and adaptable to shifting market conditions.

"One of the big challenges we faced was how do we bring in a skills ontology...I think here's where some of the Cornerstone AI based tools... have really changed the world for us in that we can now start to, at the click of a button, identify what might be the next career move for an airside handler or a supervisor in a warehouse, and what skills do they have, that might actually be transferable to other parts of the business."

**-Meredith Wellard, Vice President of Group
Learning Talent & Platforms, Deutsche Post DHL**

Harness the Power of AI to Humanise Work

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Now more than ever, employees need to be adaptable, and AI can help people more effectively upskill and reskill, and much more. Our research indicates that workers, management teams, and executive leaders are all struggling with how to adapt and respond to the fast-paced environment that exists today. But the data also indicate that this must be a shared responsibility in order to succeed.



THE WORKFORCE MUST BE ABLE TO SHARE NOT ONLY THEIR SKILLS, BUT THEIR ASPIRATIONS AND INTERESTS AS WELL.

One piece of research we gathered in the last 24 months showed that when learners can indicate their interests and preferences, they are more likely to participate in training and consume learning content.



MANAGERS HAVE TO NOT ONLY BE OPEN TO CONVERSATIONS ABOUT WORKER SKILLS AND MOBILITY, BUT THEY MUST CHAMPION THIS CONCEPT.

Evidence indicates that managers are responsible for the vast majority of a person's satisfaction on the job. Playing a more supportive, coaching role can drive better skill outcomes and engagement as well. AI-powered skill intelligence can support them in this effort.



BUSINESS LEADERS ARE IN CHARGE OF CREATING AND SHARING A CULTURE OF SKILL-BASED GROWTH.

This kind of culture is not only more fair and equitable, it also helps to build a tangible vision for where the organisation is headed (and what skills are necessary to get there).

Above all, executives must be open to this idea of blending the best that humans and technology have to offer. Using AI to support skill intelligence enables people to bring their best selves to work, and it offers unparalleled insights for business leaders that want to remain competitive and agile.

About Cornerstone

Cornerstone powers the future ready workforce, with HR software and solutions designed to unite people, teams, technology and business, and inspire a work environment of growth, agility and success for all. With an AI-powered and skills-forward system designed for the contemporary workforce, we help organisations modernise the learning and development experience, deliver the most relevant content from anywhere, accelerate talent and career mobility, and establish skills as the universal language of growth and success across the business. Cornerstone serves over 6,000 customers and 75M users and is available in 180 countries and 50 languages. For more information, visit www.cornerstoneondemand.co.uk.





About Us

Lighthouse Research & Advisory is a modern analyst firm dedicated to setting the standard for excellence in talent, learning, and HR. By providing compelling research and actionable insights for business leaders, our team's mission is to navigate the rapidly changing field of human capital management to support today's talent and learning functions. From establishing frameworks and defining competitive practices to illuminating the ROI of the employee experience, our goal is to chart a new course for talent. Ben Eubanks is the Chief Research Officer at Lighthouse, providing insights for today's talent leaders and vendor partners.

Prior to joining Lighthouse, Ben worked as a research analyst for Brandon Hall Group, focusing on learning, talent acquisition, and talent management. During his tenure, he published more than 100 pieces of research and provided advisory services to executives from some of the largest and most respected organisations in the world. He also has hands-on experience working as an HR executive, leading both strategic and tactical talent practices. Ben is the host of We're Only Human, a podcast focused on the intersection of people, technology, and the workplace. In addition, he runs upstartHR.com, a website serving HR leaders that has reached more than 1,000,000 readers since its inception.