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Rewiring Talent Strategies With Skills Data

Why Skills Data Is the Future of Talent Strategy

With nearly 40% of today's skills likely to be outdated by 2030, talent strategies are changing fast, and skills data is taking center stage. People leaders feel the impact already — 63% of employers say skills gaps are their biggest challenge to business transformation. With 59 out of 100 workers needing new training over the next few years, the stakes for upskilling and engagement are only getting higher.

This guide shows you five practical ways to put your skills data to work to fuel internal mobility, performance conversations, and employee engagement. Get actionable tips to turn real team insights into focused growth and lasting engagement.

1. Map Skills for Internal Mobility Opportunities

Key Insight

Nearly 70% of organizations are planning to pivot to skills-based hiring or already have, but only about one-third are building internal talent marketplaces to match — leaving hidden skills untapped. When you can actually see the skills your people have, not just their job titles, you uncover those hidden talents and opportunities for internal mobility.

Practical Tip

Start by building simple skills profiles from performance reviews, learning records, and manager input. Use them to identify employees who could take on priority roles or stretch assignments.

Bonus Tip: Building skills profiles is easier when your HR systems can integrate to share data, or when you're using a comprehensive talent management system.

Use Case Example

A people leader maps skills for a product launch and realizes several customer success reps already have the data literacy and collaboration skills needed to join a cross-functional project team.

2. Align Performance Reviews With Skills Progress

Key Insight

Companies **embracing skills-based models are** 57% more likely to be agile and responsive. Performance conversations become more meaningful when they focus on progress against clearly defined skills — understood across the org — instead of generic ratings.

Practical Tip

Work with managers to **add 3–5 priority skills into goals and reviews** for each role. Ask employees to show evidence of how they've used or strengthened those skills over the review period.

> ### Use Case Example
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> A manager and team lead can understand how employees' analytical thinking and change leadership skills were developed through projects in a transformation initiative, not just whether they met expectations.

3. Boost Engagement Through Personalized Growth Paths

Key Insight

75% of employers are rethinking job requirements to focus on skills rather than degrees, creating clearer growth paths. Employees are more engaged when they can see clear, skills-based paths to their next role inside the organization. It also helps recruiting teams build larger, more diverse talent pools.

Practical Tip

Use skills data to show each employee **1–2 realistic next roles and the specific skills** they need to build to get there. Then, connect those skills to tailored learning paths and stretch projects.

> ### Use Case Example
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> An HR leader discusses an operations manager promotion with a high-potential warehouse supervisor, outlining the collaboration, inventory optimization, and team leadership skills needed, plus clear development steps to get there.

4. Close Gaps Proactively With Targeted Development

Key Insight

63% of employers say skills gaps are their biggest barrier to business transformation. Skills data lets you target development where it matters most, turning gaps into competitive strengths.

Practical Tip

Audit your top 10–15 priority skills against business goals, then assign personalized learning paths or stretch projects to close the biggest gaps in your pilot team.

Use Case Example

A people leader spots a critical gap in equipment maintenance skills across manufacturing teams. In response, they pair short digital training modules with a live project where technicians test predictive maintenance tools on real production lines.

5. Scale With Integrated Skills Insights

Key Insight

22% of existing jobs will be created or displaced by 2030, requiring skills-first talent management strategies. Skills insights only drive impact when they flow seamlessly across your HR systems, from performance to learning to mobility.

Practical Tip

Choose a platform that centralizes skills data and integrates with your ATS, LMS, and performance tools. Your best option is a complete talent management system that unifies every stage of the employee lifecycle. Then, you can create skills dashboards showing real-time proficiency across teams.

Use Case Example

An HR VP sets up a skills heatmap dashboard that automatically updates from learning completions, performance reviews, and manager feedback. Their team is able to quickly spot trends and reallocate talent where it's needed most.

Ask the Right Questions & Find an LMS That Turns Skills Data Into Action

Get 31 Questions To Ask LMS Vendors

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