



New Research Highlights Focus Areas to Help Companies Navigate the Transition to a Skills-based Organization

June 4, 2024

Latest Udemy research offers recommendations for developing soft skills in leaders, intentional collaboration, and investments in skills verification for skills-based organizations

SAN FRANCISCO--(BUSINESS WIRE)--Jun. 4, 2024-- [Udemy](#) (Nasdaq: UDMY), a leading online skills marketplace and learning platform, today released a new research report, [Workplace 2.0: The Promise of the Skills-based Organization](#). The report examines how companies are navigating the increasingly necessary transition to a “skills-based organization,” where talent management is based on the development of skills and experiences and away from the traditional approach of focusing on title, position, and formal education requirements. This shift in mindset and processes allows organizations to build a more agile and engaged workforce due to their ability to strategically and quickly deploy talent across projects and departments in a flexible way.

The report, based on a survey of 1,600 English-speaking professionals around the globe, found that many companies have already begun the transition to becoming a skills-based organization. 84% of respondents said their company has at least begun considering how to implement skills-based processes over the next year, and 75% reported their company has already implemented at least one of ten skill-based talent processes, such as in hiring, onboarding, or development. However, the report also found these approaches have not yet permeated deeply into organizations. Employees in talent acquisition and leadership positions are most familiar with skills-based concepts, while employees in individual contributor roles and job seekers are less familiar with these practices. This indicates that there’s room to further integrate skills-based practices across all departments.

“Leading companies are realizing that skills-based approaches can help them overcome the challenges of sourcing qualified talent, while also supporting employees in gaining the skills needed to grow their careers,” said Greg Brown, President and Chief Executive Officer at Udemy. “But to fully complete the transition, organizations must move past the growing pains that come with any change management process. This report offers companies practical advice and a roadmap to not just implement skills-based approaches, but to do so effectively.”

The *Workplace 2.0* report has identified several trends and gaps for employers to address as they pursue the broader skills-based transition:

Leaders need new skills to close critical communication gaps.

- **83%** of senior leaders say effective leadership will be critical to the skills-based organization transition, but only **28%** of all survey respondents report their leadership team is communicating their company’s skills-based organizational strategy and initiatives to employees well.
- **74%** of managers have observed changes because of the shift to skills-based strategies, yet nearly a third (**32%**) of all respondents report they have *not* seen any changes at all.
- Leaders must focus on developing soft skills to effectively manage skills-based hiring, close critical skills gaps, and build employee trust. Investing in clear communication with employees will increase the impact a skills-based approach can have on employees’ career growth or business success.

Intentional collaboration is essential to creating more equitable and accessible workplaces.

- One of the promises of skills-based organizations is greater advancement of employees based on merit, improving equity among historically marginalized racial groups. Skills-based organizations saw benefits like encouraging continuous learning and skills development (**40%**) and enhanced opportunities for career advancement based on merit (**28%**).
- Yet, **only 18% of respondents observed improved fairness and equity in the workplace. Just 16% of respondents** observed an increase in diversified representation in leadership as a result of skills-based practices.
- Leaders must better involve broad-based stakeholder groups in the strategy process to demonstrate how a skills-based transition contributes to a more equitable and accessible workplace for all employees.

Organizations must invest in skills verification.

- While removing college degree requirements from job listings is often cited as a meaningful benchmark in a company’s skills-based transition, the survey found **this is the least common strategy employed by skills-based organizations.**
- To replace a deeply-rooted traditional measurement of work readiness like the college degree, organizations must be confident they can evaluate an employee’s or job seeker’s abilities without relying on degrees to verify job readiness, leveraging other tools such as third-party badging or IT certification to validate skillsets.

“Skills-based organizations offer many opportunities to create equity within the workplace,” said Madhavi Bhasin, Vice President, Global People Partners and Belonging, Equity, Diversity, and Inclusion at Udemy. “This report shows companies are making meaningful progress towards leveraging skills-based approaches for greater diversity and equity, but more work must be done. Following the guidance of *Workplace 2.0* will help companies capture the full value of an inclusive workplace.”

To learn more about how organizations can partner with Udemy Business to support a skills-based transition, visit: business.udemy.com.

About UdeMy

[UdeMy](#) (Nasdaq: UDMY) transforms lives through learning by providing flexible and effective skills development and validation. Through the UdeMy *Intelligent Skills Platform* and its community of instructors, millions of learners gain expertise in a wide range of technical and professional skills – from [generative AI](#) to [leadership](#). The UdeMy marketplace provides learners with thousands of up-to-date courses in dozens of languages, offering a variety of solutions to achieve their goals. UdeMy Business empowers enterprises to offer on-demand learning for all employees, immersive learning for tech teams, and cohort learning for leaders. UdeMy Business customers include Fender®, Glassdoor, On24, The World Bank and Volkswagen. UdeMy is headquartered in San Francisco with hubs in Denver, USA; Ankara and Istanbul, Türkiye; Dublin, Ireland; Melbourne, Australia; and Gurugram, India.

Methodology

In February 2024, UdeMy launched a public survey to benchmark progress on the journey to skills-based practices and measure impact and sentiment around this transition. It surveyed a global English-speaking population of more than 1,600 people (primarily sourced from the United States and India, but also including Australia, Canada, and the United Kingdom). The survey covered both those who are employed and unemployed individuals seeking work. It collected information on firmographics (job seniority, industry type, job function, company size) and demographics (age, gender, and ethnicity). Key data tables and statistics are included in the body of the report; full corresponding data sets are available in the report appendix. All comparisons highlighted in the report are statistically significant at $p < 0.1$. Statistical tests were conducted using a two-sided test of equality for proportion comparisons assuming equal variance.

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