Oracle announces skills management through new offering: Oracle Dynamic Skills

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IDC's Quick Take

This IDC Link discusses Oracle's June 23rd announcement of Oracle Dynamic Skills, a new offering as part of Oracle Fusion Cloud Human Capital Management (HCM). The solution will help organizations identify and improve upon the skill set of their workforce. Skills have become the new talent currency and organizations of all sizes and across all industries are needing to improve upon and enrich the skills of their workforce to keep pace with the rapid pace of change.

Product Announcement Highlights

Oracle Dynamic Skills provides employers with an up-to-date inventory of their employees' skills and offers actionable insight through the following capabilities:

Skills Nexus – a deep learning engine and data repository that ascertains and houses all of the data pertaining to the skills of the workforce. Skills Nexus takes publicly available data on skills, qualifications, and occupations and brings it together by a AI with internal data to develop role-based skills profiles.

Skills Advisor - AI-based capabilities that provide recommendations to candidates and employees as to the skills they should acquire, offers advice to organizations on what skills they should seek for specific roles, and recommends which candidates have the right skills to fill vacancies. In addition, Skills Advisor offers AI-based recommendations to connect people with growth opportunities, such as job openings, gig assignments, and learning resources.

Skills Center - self-service portal that allows employees to update their skills portfolios, explore new roles, and locate learning resources.

Oracle Dynamic Skills is available today to clients of Oracle HCM cloud.

IDC's Point of View

The pace at which new technologies are introduced has sped up to the point that skills are quickly becoming outdated while new skills are rising up to become essential. This has been exacerbated by the recent pandemic as scores of workers have either voluntarily or involuntarily left the workforce. Companies are left struggling to find the right workers to fill key roles. Being able to conduct an accurate inventory of skills possessed by the existing workforce has become essential to achieving business objectives. Finding the right talent on the open market can prove expensive and difficult at best. Putting together plans to "upskill" the current workforce can and does relieve this pressure while also improving employee morale and engagement overall.

HR has been talking about competencies and competency models for over 30 years. But the promise of a competency-based framework for talent management has never been realized. That is because competencies tend to be too broad to be meaningful with no accurate and real-time methods for maintaining them. Building a role-based skills profile using AI and built upon actual external and internal data, however, offers a much more promising approach to employee- and candidate-to-role matching than competencies ever could. Add to that the potential to offer learning based upon skills gaps in organizations will stand a much better chance of having the right capabilities at the right time.

Organizations desperately need help in shaping the skills of their workforce by identifying gaps and creating personalized employee pathways. Oracle's Dynamic Skills will complement its newly released Employee Experience focused, Oracle Journeys to maximize individual development simultaneously benefitting the workforce and the organization. Dynamic Skills can provide guidance to organizations who realize the importance of upskilling but in many cases don't know where to begin. There is an increasing war for talent as the pandemic recovery begins; employers who provide opportunities for their employees by providing increased upskilling and training opportunities will gain competitive advantage. Employees will not stay with organizations who do not "invest" in them and feel that their careers are stagnating. Productivity can decrease with increased employee frustration, burnout and distractions.

In fact, IDC's Digital Resiliency Framework shows that there are high levels of correlation between achievement of key resiliency metrics and actual business performance. Not surprisingly, a culture of continuous learning with an emphasis on upskilling built into the flow of work is highly associated with resiliency and being well prepared for the current environment. However, according to a recent IDC survey, only 14.3% of respondents globally feel that they are currently very prepared to meet continuous learning needs built into the flow of work with dynamic and interactive skills development built into the flow of day-to-day work and to cater to new roles/taskes. (Source: IDC's Future Enterprise Resiliency Spending Wave 2; March 2021, IDC, n=790).

New technologies and their required digital skill sets are accelerating so quickly that there is a risk that a much of the current workforce is underprepared to help organizations achieve their goals. Employers can now do more to create a culture of continuous learning and to identify and provide the opportunities to acquire digital skills.

The Impact of Dynamic Skills on Talent

With a greater focus on candidate perception as a means to achieving successful talent acquisition, the investment in existing employees to develop and grow represents a work culture of appeal to today's talent pool. Candidates want to know they are entering a positive and inclusive work environment, and more so than ever, thoroughly research the culture of organizations to which they are applying. Employee satisfaction and retention rates are strong indicators to applicants and will assist recruiters in their "pitch".

Identifying gaps in skills at an enterprise level through Oracle Dynamic Skills Nexus will assist the C-Suite and recruiters in understanding the types of candidates that should be targeted in acquisition

campaigns. Aligning existing skills to overarching corporate strategy ensures the right talent is targeted for the immediate and long term.

From an internal mobility perspective, the Skills Advisor and Skills Center features will provide the blueprints necessary for existing employees to advance in-company, thus improving retention rate and positive perception. The opportunities presented for professional development increases internal talent pools for recruiters to draw from for open positions, filling those positions with candidates that already have familiarity with the work culture and goals of the company, reducing ramp up time.

IT skills will be most in demand – how Dynamic Skills can help

Like all evolving professions, the skills required by IT professionals is changing rapidly – but IT skills are also becoming more widely dispersed in the organization. Digital skills, and traditionally considered "IT skills" can be found everywhere in the enterprise. The capabilities in Skills Nexus, Skill Advisor and Skills Center will help IT leaders and individual IT professionals leverage and hone their skills.

IT leaders should be able to better locate existing capability. Skills essential to a new IT initiative could exist anywhere in an organization – it could be AI model building skills being leveraged in the product development group, data extraction and visualization skills in the sales organization, or even Python development being used in marketing. When leadership can better identify – and leverage – the right skills, the organization will be more agile and more rapidly align IT capability with enterprise requirements.

For IT professionals, and employees outside the IT organization who need digital skills, Dynamic Skills should be a great tool to help focus skill development initiatives on those skills that are important to the organization and of particular interest to the employee. By offering actionable recommendations for skill development, either through a course, and assignment or advice from a mentor, employees will have a current map to the next best step to advance their career.

In closing, IDC believes that while Oracle may not be the first to bring forth a solution to manage and maintain skills, what they're brought forward with Oracle Dynamic Skills is a complete and well-conceived solution with a great deal of promise for Oracle clients.

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