

Enterprise Talent Intelligence

Applying Skills Technology and AI at Work



the
joshbersin
company



Overview

As talent intelligence technologies mature, companies increasingly recognize the importance of integrating these tools across their entire enterprise, allowing their organization to leverage talent intelligence across many HR functions—from recruiting and workforce development to strategic workforce planning and organizational growth. This integrated approach is referred to as “enterprise talent intelligence.”

In this report, we present seven key use cases for enterprise talent intelligence, highlighting its role in skills-based HR, employee development, internal mobility, strategic workforce planning, leadership assessment and development, organization design, and pay equity. Also included are case studies that highlight how nine companies are using enterprise talent intelligence to optimize their workforce and drive innovation.

In This Report

- The emergence of talent intelligence: using AI to leverage new insights
- From talent intelligence to enterprise talent intelligence: expanding the value of AI solutions
- Key use cases of enterprise talent intelligence

The Emergence of Talent Intelligence

The world of work has radically changed. Today businesses transform faster than ever, with 45% of CEOs anticipating their company as defined today will not exist in 10 years.¹ Moreover, every company is in a war for skills. The labor market is getting younger and more demanding, unemployment remains low, and employees operate like gig workers.

The History of Talent Management

Evolving from the mainframe HR systems of the 1980s, companies purchased a multitude of HR systems to automate HR processes. These included applicant tracking systems (ATSs), learning management systems (LMSs), and independent tools for career management, sourcing, and various HR functions. While this wave of innovation was promising, it created data silos and prevented a comprehensive understanding of the employee lifecycle.

In response to this trend, during the early 2000s, companies pursued an “integrated talent management strategy.” This led to a major consolidation of vendors: Oracle acquired Taleo; SAP acquired SuccessFactors; Workday was launched; and many other vendors were acquired—all with the intention of building a single integrated talent management platform within a single vendor offering.

While the concept seemed logical, it essentially just automated HR practices akin to how supply chain or manufacturing procedures are automated. These integrated systems, designed to carry out HR processes, essentially acted as “people supply chain systems.” Built around the construct of jobs and job descriptions, this integrated talent management did not consider an individual's skills, horizontal mobility, team-based work, or leadership at all levels. Consequently, despite the intention to simplify the tech stack, these systems fell short on delivering the tools to manage a modern workforce. And today these systems prevent the evolution of dynamic organizations where people are matched with the right opportunities based on their skills and capabilities, rather than solely on their job experience.²

Many other important concepts were also missing. Today, for example, almost 40% of all workers operate under contract, gig, or other alternative work arrangements.³ Many of these people have deep skills in specialized areas, making them critical to a company's success. They were never considered in these concepts of “integrated talent management.”

From Job Architecture to People Architecture

Around 2010, a new idea emerged: rather than build HR software to automate the traditional job-centric structure of work, what if systems were designed around individuals and teams? This approach would help model a dynamic organization with numerous projects and teams and focus on matching each individual's skills with business priorities, instead of the rigid, job-based competencies of the past⁴ (see Figure 1 on the next page).

This innovative idea, pioneered by companies like Eightfold AI, Degreed, Beamery, and Gloat, gave birth to a new marketplace of HR software: the talent intelligence platform.⁵

The Disruption of Talent Intelligence Platforms

Instead of adhering to a conventional “cradle-to-grave” process for managing people, these new vendors opted for a different path and decided to apply AI. These vendors tapped into vast troves of employee data to identify skills, job progression, industry capabilities, and organizational affinities among people. As these systems came to market, they delivered earthshattering insights into management, operations, growth, and professional development.

First Wave: Recruiting Vendors

The first wave of vendors focused on recruiting. Vendors like Eightfold AI, Beamery, Draup, Gloat, HiredScore, Neobrain, Phenom, SeekOut, Textio, and others recognized the potential of using talent intelligence platforms to enhance recruitment processes. Rather than relying on keyword matching between job descriptions and resumes, they ran multiple AI models to identify a person's skills, industry experience, and possible alignment with a role, company, or opportunity.

1 PwC's 27th Annual Global CEO Survey: Thriving in an age of continuous reinvention, 2024.

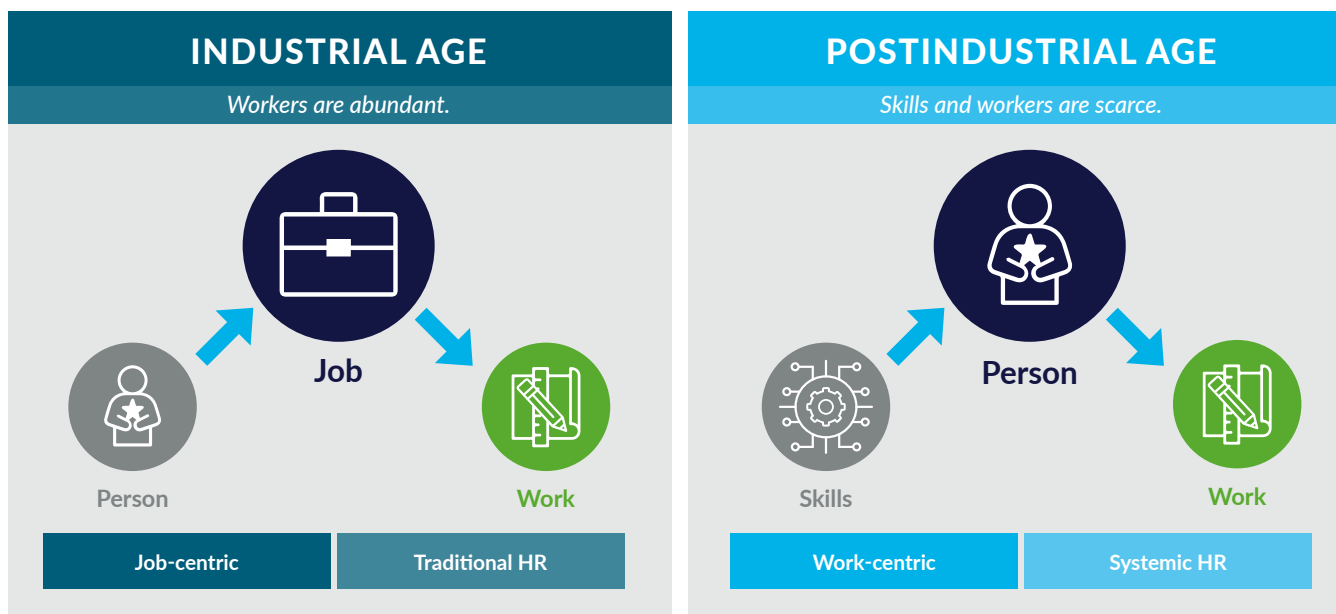
2 *The Definitive Guide to Building a Dynamic Organization*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2023.

3 “Freelance, side hustles, and gigs: Many more Americans have become independent workers,” McKinsey & Company, August 23, 2022.

4 *Understanding Talent Intelligence: A Primer*, Josh Bersin/The Josh Bersin Company, 2022.

5 *The Rise of the Talent Intelligence Platform*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2021.

Figure 1: A New People Architecture



Source: The Josh Bersin Company, 2023

This approach not only broadened the scope of candidate discovery but also ensured a more inclusive and definitive selection process. These “talent intelligence” systems didn’t just automate the recruitment process; they exponentially enhanced its power by building AI models sourced from mammoth amounts of data.

For example, Eightfold AI, a pioneer of talent intelligence platforms, uses a variety of AI models to help companies source candidates, identify skills, find internal candidates, and even automatically suggest job opportunities for job-seekers based on AI insights. Similar to how targeted ads appear on your phone or PC based on your behavior, a talent intelligence system knows more about you than you may explicitly understand, offering career recommendations, job matches, or mentors you might never have considered.

These new systems come in various forms. Gloat, for example, uses AI and big data to match employees to project opportunities, gigs, mentors, learning, and open positions. HiredScore provides recruiters with recommendations to connect with hidden candidates or overlooked talent. Textio offers managers real-time feedback on job descriptions or

performance appraisal language to mitigate bias or discrimination, sourced from millions of users’ activities. Additionally, tools like Beamery, SeekOut, Neobrain, retrain.ai, and Reejig help companies pinpoint nurses, retail workers, manufacturing specialists, or other uniquely qualified people with precision.

As these tools generate skills data, companies can leverage this data to build global skills models, identify skills gaps, and develop the “skills-based organization.” To assist in this endeavor, content vendors like Lightcast, Draup, Revelio Labs, and others entered the market.

Data Companies, Not Just Software Companies

From an architectural standpoint, these companies look quite different from traditional HR tech. Talent intelligence vendors operate as data and AI companies, not as software providers. Much of their engineering efforts are dedicated to data collection, data cleaning, data integration, and locating and sourcing unique data sources to achieve remarkable feats. These vendors are constantly building and refining AI models to improve talent intelligence. This then enables data providers like Lightcast, Draup, and others to support the market with deeper global skills, jobs, and economic data.

When these systems hit the market, incumbent talent vendors felt threatened. Almost every ATS vendor, along with prehire assessment vendors, video interview vendors, and interview intelligence vendors, now have a crash program to leverage AI.

Enterprise Talent Intelligence: Beyond Recruiting

Talent intelligence systems have now become a market category. Companies now see their transformational potential and are using them for many applications. Coca-Cola, for example, created a corporate career system with Eightfold AI, a feat that seemed impossible for years. Similarly, Novartis leveraged Gloat to build an internal talent marketplace that has transformed its business.⁶

The U.S. Department of Veterans Affairs built a career portal enabling military vets to apply their skills in the private sector. Micron Technology dramatically increased its diversity of talent sources for engineers. Numerous other companies

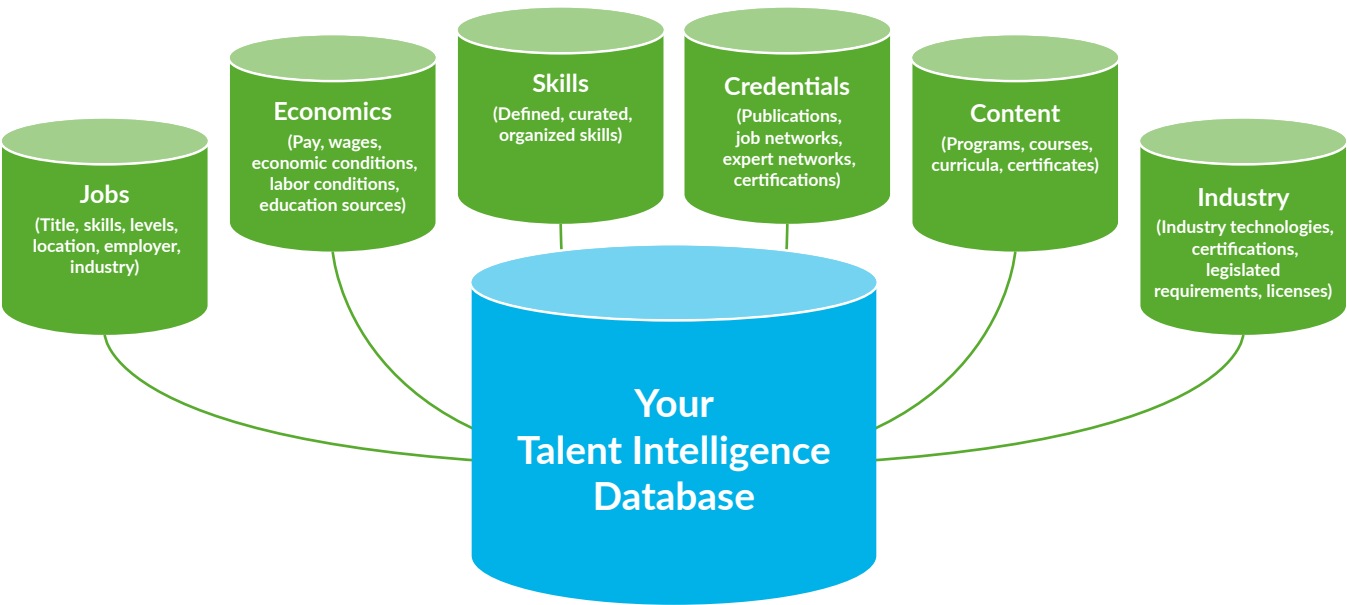
have adopted these systems to source people with unique skills, improve employee careers, understand skills gaps within the company, and even source hidden pools of leadership talent.

However, just as we experienced in the 2010s, companies don't want these systems to clutter their HR tech landscape. Once the talent intelligence platform is up and running, there's a growing demand to use it for other purposes.

The Need for Integration Resurfaces

The AI-enabled talent intelligence platform comprises a vast data set of employees, coupled with a much more massive data set encompassing the global workforce. These datasets are stored in a vector database that enables analysis across hundreds of dimensions. Unlike the traditional talent management platforms, talent intelligence systems use neural network technology that enables companies to find, develop, and model just about any characteristic desired. Furthermore, it's relatively straightforward to add new data, like skills assessments, job performance data, pay data, and more. See Figure 2.

Figure 2: The Talent Intelligence Database



Source: The Josh Bersin Company, 2022

⁶ Novartis Builds a Dynamic Organization Leveraging a Skills-Based Talent Marketplace, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2023.

Unlike data in the core HCM platform, the talent intelligence data is richer and more complete. The HCM system knows employees' job title, level, training history, and perhaps their performance ratings, but it typically lacks details like where people went to school, their prior experiences, affiliations, credentials, and other significant experiences in their work life. In contrast, the talent intelligence system knows all this and more because it can draw inferences from historical data.

When a system like Eightfold AI, Gloat, or Draup sources talent for a position, it doesn't only look at words and matches. Instead, it can predict an individual's likelihood of working in an industry, their leadership potential, and their inferred skills across hundreds of business topics. Additionally, these systems understand the "adjacency" of skills. For example, proficiency in math may indicate ability in related fields like statistics, cybersecurity, or machine-learning algorithms.

Imagine a scenario where you're overseeing a merger and want to consolidate groups of individuals based on job function, skill set, and other experience factors. The talent intelligence system can easily enable you to build clusters of skills and functional experience and identify groups of individuals by tenure, functional experience, and even pay. Chevron used such capabilities when it was searching for "alternative energy engineers," a role that didn't fit a conventional job title.

Enterprise Talent Intelligence Has Arrived

Companies can now use these systems for many applications, expanding the value of AI to develop solutions that were simply never possible before. While these systems were add-ons to the traditional payroll and HCM systems, soon they will be competitors in their own right.

Despite the fact that most talent intelligence systems started in recruiting, they can now be used for job architecture analysis, skills intelligence, organization design, pay equity analysis, and even studies of sales performance, turnover, customer service, and R&D output. Additionally, AI platforms take the lead in identifying, assessing, and developing leadership.

Adding Business Data for Business Insights

How do these systems evolve to support these new areas? It's quite straightforward: by adding more business data. As many have experienced with ChatGPT, when a neural network is enhanced with new data, it becomes more adept, or "smarter." The new data changes the weights of the large language model (LLM) parameters to reflect the new data, essentially "training it" to understand this new data dimension.

For example, The Josh Bersin Company's AI platform, Galileo™, already understands detailed best practices on more than 92 HR processes and hundreds of vendors. We recently added a large corpus of data on global employment laws and regulations, which "taught it" to consider local jurisdictional information, and we constantly enhance its capabilities with new case studies and examples.

Imagine a global pharma company acquiring an agricultural chemical firm. While the company's talent management efforts have focused on bioengineering cancer drugs, the acquisition demands it to expand its talent model to understand agricultural chemicals and biologics. The AI can be retrained as these people and data are added. This kind of expansion opens up a world of opportunities for enterprise talent intelligence.

Key Use Cases for Enterprise Talent Intelligence

There are many different areas where enterprise talent intelligence can add value beyond recruiting across various domains.

For example, consider the partnership between Heidrick & Struggles and Eightfold AI. By integrating Eightfold AI's database with Heidrick's behavioral and performance data alongside a company's specific leadership model, "Heidrick Navigator" can pinpoint the experiences as well as the functional and behavioral skills essential for cultivating strong leadership.

Consider "pay intelligence." Companies are now looking at pay data within their intelligence systems and finding significant disparities in pay that do not necessarily correlate with other factors. While pay is often an individualized issue in talent management, this analysis helps these companies in addressing and understanding pay inequities more effectively.

Other companies focus on performance data. Meta, for example, connects its talent intelligence system with software engineering platforms to identify the coding styles and team behaviors of the highest performing software engineers. This approach can be applied across sales, customer service, repair, hospitality, and more.

We group the following use cases for enterprise talent intelligence into seven key categories (with more to come):

- Skills-based HR
- Employee development
- Internal mobility
- Strategic workforce planning
- Leadership assessment and development
- Organization design
- Pay equity

Creating the Foundation for Skills-Based HR

Most companies are embarking on a journey to skills-based HR. One of the fundamental steps in this strategy is “tagging” or “identifying” the skills needed in each role and individual and then mapping these skills against new technologies, processes, and innovations.

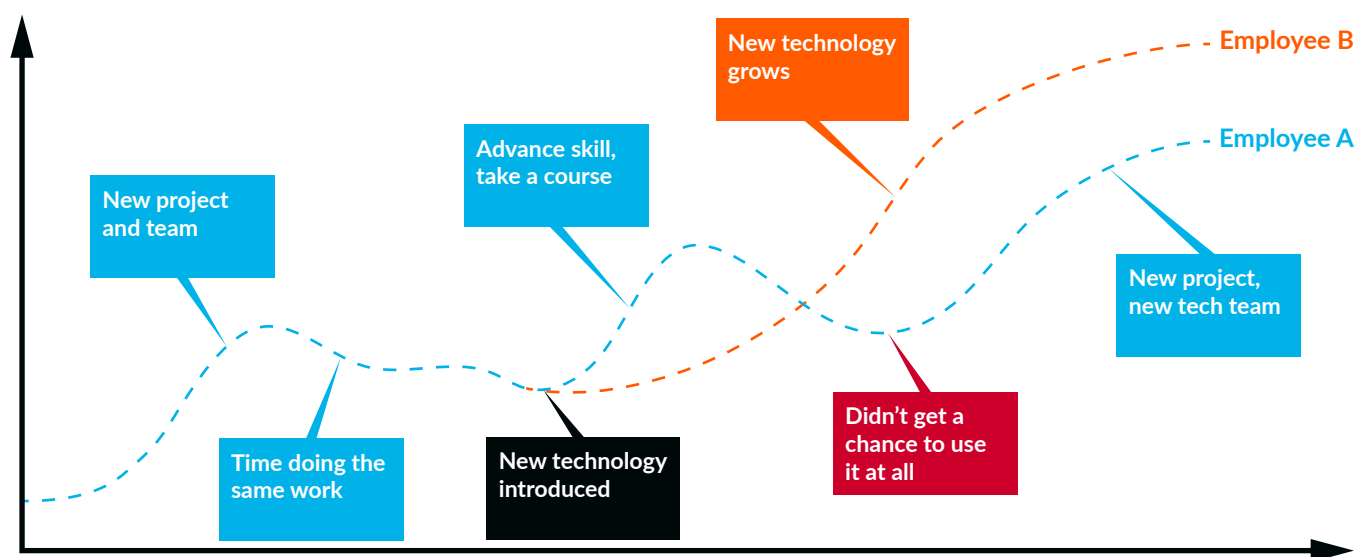
While many companies try to do this manually, the world of skills is constantly changing. Every time an innovative technology, science, or business practice emerges, companies need to understand its impact on their company. And the skills employees have are always changing (see Figure 3).

Unlike the competency modeling of the past, skills are not static words associated with a job description. In today’s world, we need to know trending skills of our competitors, emerging skills in existing roles, and various skills needed in management, sales, and other nontechnical roles.

Without a talent intelligence system, companies must do this in a manual, static way. It may make sense to buy a large skills database, develop a set of capability councils, and try to assign these skills to jobs. Ultimately, however, this effort cannot keep up. The talent intelligence system, by contrast, tells a company the trending and actual skills in a job, role, or person in real time. Thus, these platforms become the dynamic system of record for skills.

While these platforms may have started in recruitment, they are becoming the global systems of record for all the skills in the company, competitors, and those trending in the marketplace. This data may be imported into the HCM platform (Workday, SAP SuccessFactors, Oracle, etc.) and get feeds from Lightcast or Draup, but ultimately, they become the lifeline of the entire skills strategy.

Figure 3: The Dynamic Nature of Skills



Source: The Josh Bersin Company, 2024

Our latest research on consumer banking⁷ finds that the highest performing banks exhibit notably advanced and modern IT skills compared to their peers. This advantage enables them to attract superior talent, which, in turn, facilitates the development of more robust systems. Failing to address these skill gaps could leave a company “flying blind.” The talent intelligence system provides the means to analyze such critical information.

Imagine the challenges for a semiconductor company when establishing a new plant. Companies like AMD, Applied Materials, ASML, and TSMC are grappling with the problem of how to source engineers and manufacturing experts who are in short supply. To address this issue, they must build next-gen skills models, find adjacent skills in the market, and set up internal development and job mobility programs to meet this need.

CASE IN POINT

A Large Manufacturer Uses Capability Councils to Create Talent Intelligence

A large global manufacturing company, headquartered in France, uses 26 capability councils run by businesspeople who review and prioritize the capabilities needed for each of these capability areas and use them to identify learning needs, build capability academies for critical areas like quality or safety, and drive internal mobility, workforce planning, and recruitment. Because the effort to keep up is so intense, the company is now exploring a talent intelligence solution that spans all these areas.

Fueling Personalized and Targeted Employee Development

Corporate training teams are flooded with topics, content, curricula, and compliance needs. Each new functional and technical domain demands training, so the teams are constantly building content, buying content, and experimenting with new ways to train staff.

Within this complex set of programs, the focus shifts to understanding skills. Do we need to analyze 25,000 skills to perform our jobs effectively? Of course not. Most high-

performing professionals rely on a few key skills, which vary from job to job and person to person. How then can the chief learning officer or head of leadership development make sense of this information?

The enterprise talent intelligence platform addresses this problem. Platforms like Gloat, Eightfold AI, or Cornerstone can uncover trending skills and determine whether they’re on the rise, on the decline, or flat. While most companies have multiple learning platforms—LMSs, learning experience platforms (LXPs), content management systems (CMSs)—organizations need a global understanding of who possesses which skills and the adjacent or strategic skills required for each individual. Talent intelligence systems excel at delivering this information without burying it within the LMS or another training platform.

What if an employee wants to learn something new? They can go to the career or job portal within the talent intelligence system, which automatically shows them adjacent jobs, roles, and skills to consider. Employees can then click on desired jobs, view the requisite skills, and immediately access content or developmental activities for growth. Gone are the days of searching through a massive course catalog in the hopes of finding something beneficial for career advancement.

CASE IN POINT

HSBC Personalizes Learning and Employee Development

HSBC, a global banking and financial institution, integrated its talent marketplace with Degreed, an LXP. This integration enables employees to receive personalized recommendations for learning and development tailored to their skills and career aspirations. By leveraging the data from the talent marketplace, HSBC can customize learning opportunities to meet the individual needs and goals of its employees, promoting a more personalized and effective learning experience—and build the digital skills necessary for the company’s future needs.⁸

⁷ *Consumer Banking under Siege: Addressing the Digital Capability Gap*, Josh Bersin and Stella Ioannidou/The Josh Bersin Company, 2022.

⁸ *HSBC Opens a World of Opportunity with a Talent Marketplace*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2023.

Supporting Career-Planning, Internal Mobility, Gig Work, Mentoring, and Coaching

Our Dynamic Organization research⁹ shows that companies with a high degree of internal mobility and strategic career development have up to 7 times more success in transformation and growth initiatives and are 17 times more likely to be market leaders in innovation. Yet, despite these clear benefits, only 7% of companies are truly dynamic.¹⁰

Why the gap? Most companies lack transparency regarding internal opportunities. An employee in one role who may be suited for another position may never become aware of its availability. Similarly, a hiring manager urgently seeking an external candidate may be unaware that an expert already exists within the company.

Talent intelligence can close this gap. By leveraging a talent intelligence platform, companies gain insights into high-demand jobs, roles, projects, and skills existing within the company. Many companies attest that their talent marketplace “systems” are among the most popular within their organization. For example, MetLife credits a significant increase in retention to its internal talent intelligence platform, while companies like Seagate have saved substantial money by canceling contractor projects once internal staff with suitable skills become visible.

Moreover, these systems also support hiring teams. Hiring managers and HR business partners (HRBPs) can use talent intelligence systems to source internal candidates, find people for development opportunities, and identify opportunities to redesign teams for improved performance. Essentially, these systems promote what we refer to as a “skills meritocracy.”

Companies leverage internal talent marketplaces that are powered by talent intelligence to understand the internal “supply and demand” of skills, thus reducing reliance on costly external labor. For example, Mastercard saved over \$20 million annually on external contracts by implementing an internal talent marketplace.¹¹

⁹ *The Definitive Guide to Building a Dynamic Organization*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2023.

¹⁰ Ibid.

¹¹ *Mastercard Unlocks the Potential of Its People with an Internal Talent Marketplace*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2023.

Consulting firms like EY and other professional services groups now use talent intelligence systems for staffing and resource management. For example, Eightfold AI has developed a resource and project management system informed by talent intelligence, facilitating team development and resource scheduling with full transparency on skills and certifications.

CASE IN POINT

BNY Mellon Uses Talent Intelligence for Mobility and Growth

BNY Mellon, an American banking services holding company, utilizes Eightfold AI's talent intelligence to modernize its organization design, career paths, and internal mobility. By creating a modern skills taxonomy, the company deeply understands its skills landscape, guiding talent management and organizational decisions. The platform enables tailored career development and learning opportunities, aligning with both employee goals and company needs. Additionally, enhanced internal mobility allows for more fluid career navigation, supporting strategic workforce planning and fostering a culture of continuous learning and agility. This approach positions BNY Mellon to effectively address future challenges and opportunities.¹²

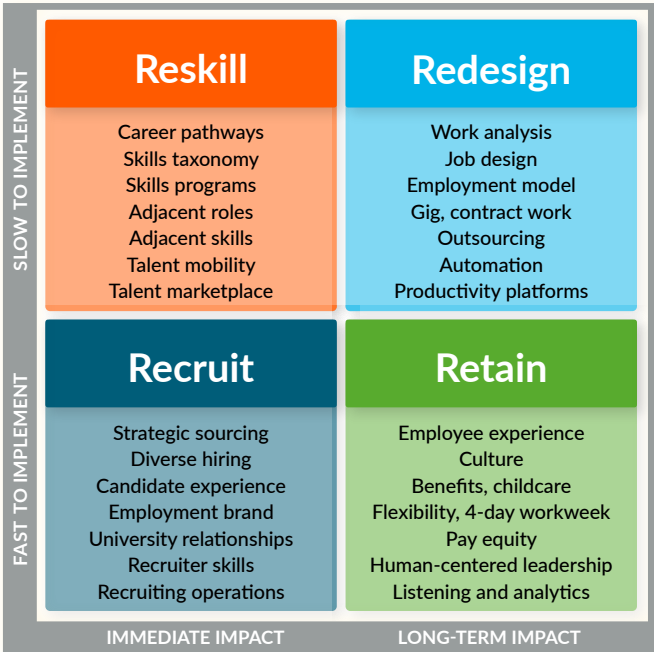
Powering Strategic Workforce Planning, Location Planning, and Competitive Analysis

Surprisingly, less than 15% of companies have adopted a skills-based approach for sourcing and headcount planning, indicating a critical yet underutilized HR practice. Effective workforce planning is an integrated process, focusing on four key areas: recruiting (where, who, and how to hire, including internal candidates); retention (keeping people with key skills in the company); reskilling (developing skills among employees to fill key skills gaps); and redesign (of work, jobs, employment

¹² *BNY Mellon Uses AI-Based Talent Intelligence to Create a Modern Skills Taxonomy*, Josh Bersin and Stella Ioannidou/The Josh Bersin Company, 2023.

models, and using automation and augmentation). We refer to this strategy as the Four R Framework™ (see Figure 4).

Figure 4: The Four R Framework™



Source: The Josh Bersin Company, 2022

For example, the healthcare industry’s significant nursing shortage requires a multifaceted strategy across the Four Rs, emphasizing job redesign and technology to lessen the demand for nurses. Recruiting alone can’t solve the issue.¹³

These four practices (recruit, retain, reskill, and redesign) should be coupled with the urgent issue of where to place teams and which locations to hire in. The talent intelligence team, now a strategic sourcing team, can now understand the roles and skills in demand, the internal talent available, and the cities, countries, universities, and other relevant areas that play a role.

Consider the problem of location management. If a company needs to locate an engineering or manufacturing facility or is considering acquiring another business, it’s important to

identify the most suitable city, metropolitan area, or country. Advanced talent intelligence platforms can identify skills and talent by geography, city, and metro area.

Companies like Google, NVIDIA, and Amazon rely on talent intelligence leaders to make informed global decisions on hiring and team placement, utilizing data from providers like Lightcast, Revelio Labs, and Draup (see Figure 5 on the next page). This global labor market data aids in identifying talent pools, understanding salary demands, and monitoring market changes, which benefits talent acquisition and L&D strategies. Without an enterprise talent intelligence platform and strategy, accessing such comprehensive information would be challenging.

CASES IN POINT

Bayer Uses Talent Intelligence for Strategic Workforce Planning

Bayer, a German multinational pharmaceutical and biotechnology company, in partnership with Eightfold AI, has transformed its talent management processes by implementing a skills-based approach across hiring, development, workforce planning, and mobility. This strategy enables the company to identify scientists, agricultural experts, and bioscience engineers from universities, research labs, and nontraditional sources.¹⁴

A German Manufacturer Decides to Hire Internally in Tight Labor Market

A large German food and beverage manufacturer was struggling to hire key manufacturing workers in its country’s tight labor market. Leveraging skills data from Lightcast, the company was able to save more than \$3 million in recruitment fees when it realized that the needed skills were already available internally. This not only helped with hiring but also justified building an internal development academy for manufacturing workers.

13 Healthcare at a Crossroads: Solving the Urgent Clinical Talent Shortage, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2022.

14 The Rise of the Talent Intelligence Platform, Josh Bersin and Kathi Enderes, PhD/ The Josh Bersin Company, 2021.

Figure 5: Example of Talent Intelligence Data

Skills	Postings	% of Total Postings	Profiles	% of Total Profiles	Projected Skill Growth	Skill Growth Relative to Market
Talent Intelligence	3,172	68%	969	99%	+20.8%	Rapidly Growing
Talent Sourcing	1,188	25%	172	18%	+5.0%	Lagging
Talent Management	1,130	24%	362	37%	+21.3%	Rapidly Growing
Marketing	982	21%	455	47%	+23.0%	Rapidly Growing
Applicant Tracking Systems	969	21%	238	24%	+11.6%	Growing
Customer Relationship Management	965	21%	269	28%	+22.1%	Rapidly Growing
Project Management	884	19%	327	33%	+19.8%	Growing
Talent Strategy	805	17%	131	13%	0.0%	
Taleo	784	17%	74	8%	+2.0%	Lagging
Full-Cycle Recruitment	706	15%	141	14%	+7.6%	Stable
Recruitment Strategies	704	15%	96	10%	+10.0%	Growing
Data Analysis	566	12%	231	24%	+25.8%	Rapidly Growing
Key Performance Indicators (KPIs)	539	12%	63	6%	+16.0%	Growing
Talent Acquisition	522	11%	108	11%	+18.8%	Growing
Employer Branding	507	11%	149	15%	+8.5%	Stable
Talent Pipelining	477	10%	81	8%	+14.0%	Growing
Agile Methodology	450	10%	76	8%	+19.8%	Growing
HR Operations	446	10%	15	2%	0.0%	
Business Strategies	440	9%	162	17%	+25.8%	Rapidly Growing
Market Trend	419	9%	48	5%	+8.8%	Stable
Sales Prospecting	417	9%	78	8%	+19.0%	Growing
Process Improvement	407	9%	140	14%	+27.0%	Rapidly Growing

Source: Lightcast, 2024

Helping to Identify, Assess, and Develop Leaders

One of the most exciting innovations in AI involves using performance and psychometric data to identify leaders, experts, and project and program managers. These promotions, which are often gated by individual managers, are suddenly “unhidden” by the talent intelligence system.

In partnership with Eightfold AI, Heidrick & Struggles, a global leader in executive search and leadership consulting, developed Heidrick Navigator. This innovative leadership intelligence platform integrates psychometric and behavioral assessments with AI-driven insights, transforming how companies identify and develop leaders at scale. Not only does it uncover hidden leadership potential within the organization but also it surfaces future-ready leaders and high-potential talent for projects, initiatives, and teams at all levels—a critical step for companies that wish to become more dynamic.¹⁵

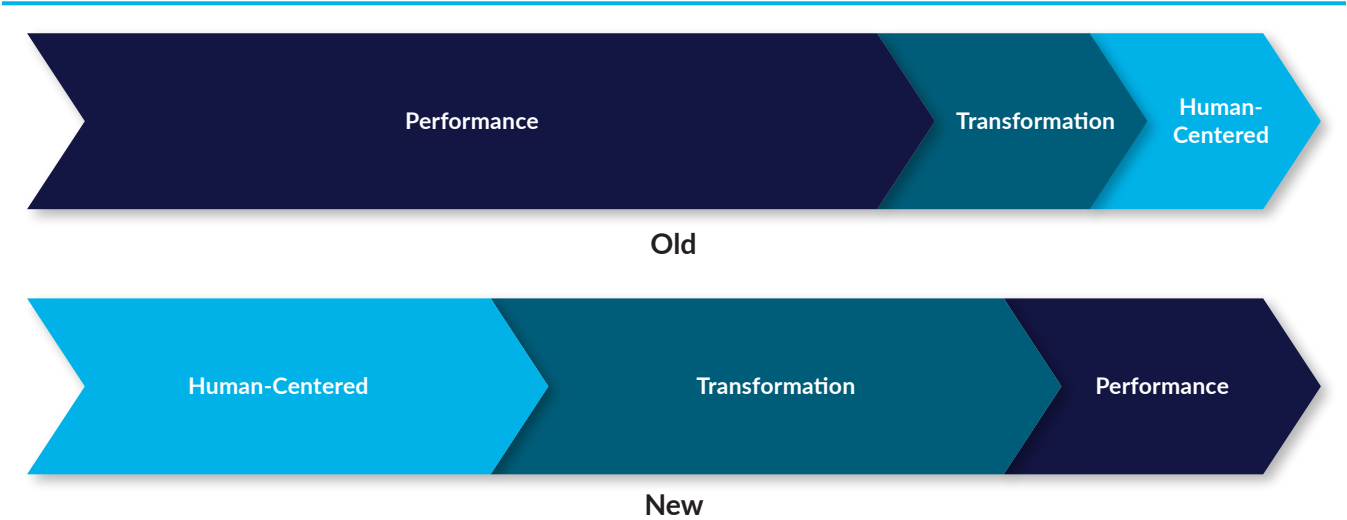
Traditionally, companies have relied on periodic succession-planning, talent reviews, and high-impact potential (HIPO) processes to identify and develop top-level leaders. These individuals are then given special assignments, coaching, and developmental projects to prepare them for senior positions.

However, using this manual assessment often introduces bias and overlooks the important role of a diverse set of behaviors required for leadership success. Rather than focusing mostly on performance behaviors, the leadership intelligence platform uses AI to help balance human-centered and transformation behaviors with the ability to execute effectively, or “get stuff done” (see Figure 6 on the next page).

Given the slow, expensive, traditional approach to leadership assessment, solutions like Heidrick Navigator represent a major change in the market. These types of systems merge the powerful skills inference of AI with the well-established psychographic assessments used around the world.

¹⁵ The Definitive Guide to Building a Dynamic Organization, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2023.

Figure 6: A New Leadership Behavior Mix



Source: The Josh Bersin Company, 2023

CASES IN POINT

Starbucks Uses Talent Intelligence for Retail Leadership and Succession

Starbucks, an American multinational chain of coffeehouses and roastery reserves, is uncovering talent in key management positions using Eightfold AI's talent intelligence. Limited largely by the number of store and district managers, Starbucks' talent teams are using talent intelligence to find hidden leaders inside the company (and in the external job market) who are most likely to succeed in these demanding retail management positions.

AES Uses Leadership Intelligence to Accelerate the Renewable Energy Evolution

AES, a global energy company, uses Heidrick Navigator to make critical leadership decisions, build a bench of future-ready leaders, and stay ahead of market trends. The platform offers insights into existing leaders' strengths and areas for development, evaluates the readiness of potential successors, and ensures that leadership innovation aligns with AES's diversity, equity, and inclusion goals. Additionally, it identifies successors for various roles, ensuring that leadership skills match the evolving needs of the business for long-term success and stability. The platform has dramatically expanded AES's leadership pipeline and provides senior leaders with a much more rapid process for leadership assessment and development.

Informing Organization Design during M&A and Change

As talent intelligence systems become smarter about people’s skills and capabilities, they can also be used for organization design, which is now one of the most critical HR capabilities within HR (see Figure 7).

With the pervasive influence of AI, every job, role, and task is now undergoing transformation. HR leaders and management teams are constantly seeking methods to streamline teams, enhance productivity, and sharpen focus. Talent intelligence systems enable companies to identify duplicative roles, find inconsistencies in job titles and levels, and assess the collective skills of teams to facilitate effective comparisons.

Consider the work it takes to integrate with a new company during a merger and acquisition (M&A). Rather than hire a consulting firm to go through every job title, level, and job description in the acquired company, the talent intelligence platform can import all the acquired people into its AI system, then match

their skills to the current job architecture, assign possible roles, and even integrate career paths—in days instead of months.

CASE IN POINT

A Banking Company Uses Talent Intelligence to Rationalize Job Architecture

A large custodial banking company utilized Eightfold AI’s talent intelligence to analyze the skills of analysts, project managers, and product managers across different departments. Despite varying job titles, levels, and descriptions, many employees shared similar skills. To enhance capabilities and productivity, the HR team formed “capability councils” for each role, where members discussed emerging technologies, skills, hiring needs, and development challenges. This initiative then led to the creation of “capability academies,” which streamlined job titles, increased internal mobility, and significantly boosted productivity through the use of shared tools.

Figure 7: The HR Capabilities That Matter Most

Individual HR Capability	High-Growth Companies	Low-Growth Companies	Impact	Impact Relative to All Capabilities
Developing Leaders and Managers	3.4	2.3	Extremely High	151%
Change Management and Communications	3.4	2.4	Extremely High	119%
Applying the Principles of Organization Design	3.1	2.2	Extremely High	115%
Coaching Individuals for Performance	3.9	2.8	Very High	93%
Operating as a Senior HR Business Partner	3.2	2.4	Very High	91%
Understanding Global Cultural Issues	3.1	2.4	Very High	67%
Terminating Senior Executives	2.9	2.2	Very High	67%
Working with C-Level Executives	3.3	2.6	High	60%
Gaining Senior Leadership Buy-In for DEI Efforts	2.9	2.2	High	60%
Implementing Strategies for Contingent and Gig Workers	2.3	1.8	Significant	54%
Supporting Employee Mental, Emotional, and Family Needs	3.2	2.5	Significant	41%
Leading the HR Function (as CHRO or VP)	1.9	1.5	Significant	40%
Consulting with Business Leaders on Workforce Data	3.2	2.5	Significant	36%
Implementing Targeted Employee Communications	3.6	2.9	Significant	31%
Designing the HR Operating Model	2.4	2.1	Less Significant	17%

Source: The Josh Bersin Company, 2023

Improving Pay Equity and DEI

Paying for skills is challenging, with only 1 in 10 companies effectively managing the process. High-performing organizations dedicate significant effort to incorporate skills considerations into their pay equity analysis, leveraging data and expert insights to determine differentiating skills (see Figure 8).

Indeed, pay equity presents one of the most vexing business problems today. As our research studies show, 95% of organizations are merely scraping by with mitigating legal and compliance issues or periodically reviewing data for pay inequities.¹⁶

However, several companies are now using enterprise talent intelligence systems to look at AI-inferred skills, diversity metrics, and job levels to identify pay inequities. This type of correlation may be complex to accomplish manually, especially since skills data is usually anecdotal. The enterprise talent intelligence system can identify pay gaps by skill almost instantaneously, providing HR managers with clear indicators about where adjustments are needed.

For example, Rolls-Royce uses a talent marketplace to support career growth, project-based work, and agile mobility for

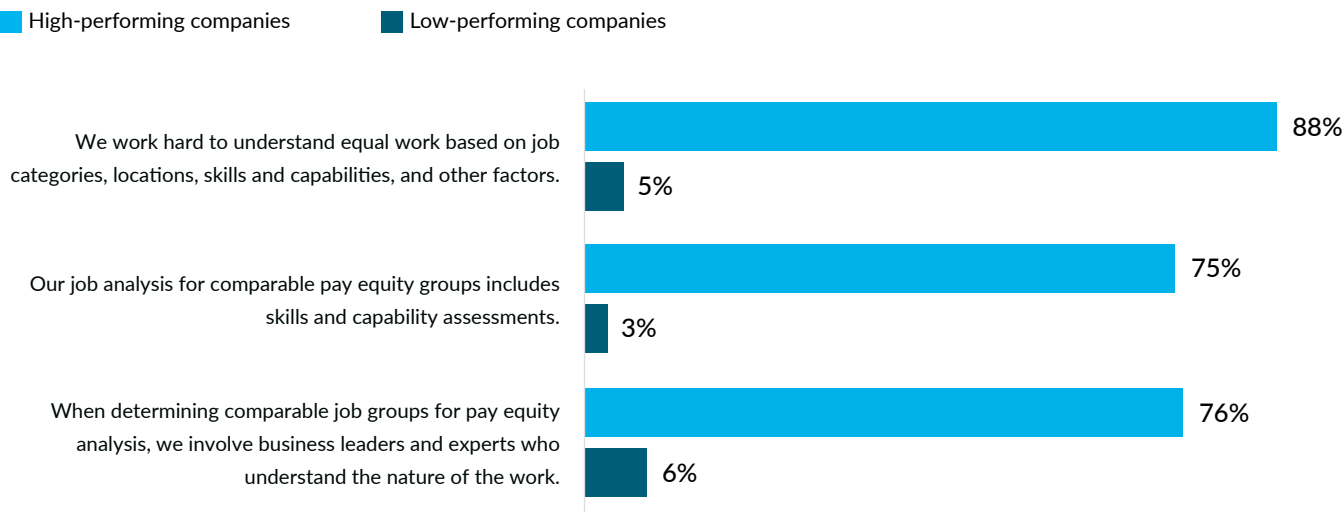
its workforce and is now exploring how to leverage talent intelligence to make skills-based pay decisions.¹⁷ Similarly, a British financial services organization is bringing benchmarked pay data into its talent intelligence platform to understand whether it's paying equitably for the next-generation tech skills it needs to take the company into the future.

CASE IN POINT

DCP Midstream Uses Skills to Drive Pay Equity

DCP Midstream, an American natural gas processing and transmission company, has adopted a skills-based approach to ensure pay equity and fairness in compensation, focusing on the specific skills and capabilities of employees rather than job titles or tenure. This method aligns pay with the value contributed by employees and includes a program that offers a \$1.25 hourly rate increase for acquiring new skills aligned with the company's strategic goals. This approach incentivizes development and upholds DCP Midstream's commitment to a fair and equitable work environment where compensation reflects skills and contributions.¹⁸

Figure 8: Skills and Capability Assessments in Pay Equity



Source: The Josh Bersin Company, 2023

16 The Definitive Guide to Pay Equity: Balanced Pay Strategies, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2023.

17 Rolls-Royce Introduces Skills-Based Work with a Talent Marketplace, Josh Bersin and Kathi Enderes, PhD/ The Josh Bersin Company, 2022.

18 The Definitive Guide to Pay and Benefits: The Road to Systemic Rewards, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2023.

Next Steps: Implications for This Shift

As this research points out, AI is starting to radically transform the HR technology landscape. While HCM, ATS, LMS, and other transactional systems are still important, more of the important talent applications will be driven by AI.

What are the implications for HR leaders? To leverage the potential of talent intelligence, companies should:

- **Reinvent the talent model.** It's time to move away from rigid job architectures to focus on understanding and developing workforce skills and capabilities. This involves systems that identify skills gaps, recommend development opportunities, and support internal mobility based on skills.
- **Rethink the HR technology ecosystem.** While traditional HCM or ERP systems remain, AI platforms will increasingly play a critical role. Transactional systems will serve as back-office tools, with talent intelligence systems performing higher-level analysis. This shift indicates a growing market for talent intelligence systems, challenging traditional systems and shaping the future of organizational design.
- **Redesign the HR function.** Integrate recruiting, L&D, employee experience, and organizational design into a cohesive team. Talent intelligence systems hold the necessary data, but collaborative teams are required to effectively leverage it (we call this systemic HR™).¹⁹ This integration can extend to areas like location and workforce planning, salary planning, and productivity analysis, necessitating staff skilled in using these AI systems.

¹⁹ *The Definitive Guide to Human Resources: Systemic HR™*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2023.

Key Takeaways

- The move from job-based career growth to dynamic, skills-focused models requires a shift—going beyond traditional talent management systems to accommodate the needs of modern, flexible work environments.
- HR systems have evolved to focus on people and teams, leading to the development of talent intelligence platforms that utilize AI to analyze employee data and provide insights for better management and professional development.
- The use of talent intelligence platforms has expanded to include various HR functions such as job architecture, skills intelligence, and pay equity analysis.
- Integrating talent intelligence platforms at the enterprise level enables skills-based HR programs, personalized development, internal mobility, and strategic workforce planning.
- Leadership intelligence combines robust AI inference with existing psychographic assessments and business performance data to improve both depth and speed in identifying high performers.
- The future will see traditional HCM or ERP systems enhanced by AI-driven talent intelligence, requiring a redesign of the HR function to leverage these tools effectively through a new way of operating HR: systemic HR™.

About the Authors



Josh Bersin

Josh founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. He expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership and became a recognized expert in the talent market. Josh sold the company to Deloitte in 2012 and was a partner in Bersin by Deloitte up until 2018.

In 2019, Josh founded the Josh Bersin Academy, a professional development academy that has become the "home for HR." In 2020, he put together a team of analysts and advisors who are now working with him to support and guide HR organizations from around the world under the umbrella of The Josh Bersin Company. He is frequently featured in publications such as *Forbes*, *Harvard Business Review*, *HR Executive*, *The Wall Street Journal*, and *CLO Magazine*. He is a popular blogger and has more than 800,000 followers on LinkedIn.



Kathi Enderes, PhD

Kathi is the senior vice president research and global industry analyst at The Josh Bersin Company, supporting clients and the market with evidence-based insights on all areas of HR, learning, talent, and HR technology. Kathi has more than 20 years of global experience from management consulting with IBM, PwC, and EY, and as a talent leader at McKesson and Kaiser Permanente. Most recently, Kathi led talent and workforce research at Deloitte. She is a frequent keynote speaker, author, and thought leader. Her passion is to make work better and more meaningful.

Originally from Austria, Kathi has worked in Vienna, London, San Francisco, and Spain and now lives in Palo Alto, California. Kathi holds a doctoral degree in mathematics and a master's degree in mathematics from the University of Vienna, Austria.

The Josh Bersin Company Membership

The Josh Bersin Company provides a wide range of research, tools, and advisory services to help HR leaders and professionals address the ever-evolving needs and challenges of today's workforce. We cover all topics in HR, HR technology, talent, and corporate learning with a special focus on the professional development of HR teams.

Our corporate membership program provides HR leaders and teams with the skills, strategies, benchmarks, and insights to build cutting-edge HR and people strategies through research, assessments, professional development, exclusive events, and community. Corporate membership also includes access to Galileo™, the world's first AI-powered expert assistant specifically developed for HR. Trained on 25 years of The Josh Bersin Company's research, insights, and expertise, and enriched by carefully curated material from our trusted content partners, Galileo unlocks information from over 50,000 verified assets to answer any HR-related question with timely and meaningful answers.

For more details, contact us at info@bersinpartners.com.