

Towards Agile Talent Management: The Opportunities of a Skills-first Approach

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ABSTRACT

Despite its evolution over the last two decades, talent management has been criticised for being too static in its approach. Drawing on matching theory and adopting an agility lens, we show how a skills-matching perspective on talent management fosters the development of strategic agility, responsive to external and internal demands. Through qualitative research encompassing 34 interviews in 15 multinational enterprises, we illustrate how a skills focus required revisiting talent strategies to facilitate initial and dynamic matching in external and internal labour markets, and we highlight key boundary conditions for skills-matching. We reveal a set of dynamic capabilities, underlying two meta-capabilities, strategic sensitivity and resource fluidity, which underpin the skills-matching process and enable strategic agility. In doing so, we shift the focus of talent management towards skills acquisition and development, and emphasise the need to look beyond traditional learning and development to alignment across the wider talent function.

Keywords:

Talent management; skills; matching theory; agility; dynamic capabilities

INTRODUCTION

Talent management continues to be a key human resource (HR) strategy in multinational enterprises (MNEs), focusing on the development of the current and future talent bench (Cascio & Boudreau, 2016; Collings *et al.*, 2019). However, in its adoption, talent management has been criticised for being overly static and adopting a stock perspective of the human capital resources in the workforce rather than considering a more agile approach which would facilitate more timely reconfiguration of resources, particularly in the increasingly complex environment within which MNEs operate (Harsch & Festing, 2020; Lepak *et al.*, 2012). This challenge was further amplified by the COVID-19 pandemic which required organisations to respond to changing customer and market demands (Lazarova *et al.*, 2023; Vaiman *et al.*, 2021). As MNEs, in particular, are at risk of falling into a “rigidity trap” due to their complex structures and multicultural embeddedness (Meyer *et al.*, 2011), strategic agility (i.e., the ability to respond quickly to changes) is an invaluable, yet often underdeveloped, capability (Christofi *et al.*, 2021; Weber & Tarba, 2014). In the global context of MNEs, adapting talent strategies to dynamic environments is therefore especially challenging (Collings *et al.*, 2019; Reiche *et al.*, 2019). Despite calls for more agile talent strategies (Cappelli, & Tavis, 2018; Harsch & Festing, 2020), empirical research exploring the link between talent management and strategic agility remains scarce.

Talent management can broadly be defined as the attraction, selection, development, and retention of the highest performing employees in the most pivotal positions globally (Vaiman *et al.*, 2012). This strategic approach to managing the workforce is characterised by differentiated investment into high performers and high potentials (Collings & Mellahi, 2009) to strengthen talent pipelines for MNEs and build individual careers (Harsch & Festing, 2020). While the literature on talent management has established various philosophies, processes, and practices (e.g., Meyers *et al.*, 2020; Sparrow *et al.*, 2014) and debated the

meaning of talent (e.g., Gallardo-Gallardo *et al.*, 2013; Jooss *et al.*, 2021), it generally aligns with the idea of long-term differentiated investment in the workforce. Such investments traditionally take place within established organisational structures and job categories (Kehoe *et al.*, 2022). However, as organisations increasingly seek more agile forms of managing talent, scholars (e.g., Boudreau & Donner, 2021; Jesuthasan & Boudreau, 2022) have proposed a greater emphasis on more dynamic skills-based allocation of work as a complement to traditional considerations when making talent decisions. Yet, a dynamic skills-matching approach to talent management, i.e., the process of aligning individuals' skills with business needs, has been underexplored to date. This is problematic given that 89% of executives state that skills have become important in defining talent, deploying talent, managing careers, and valuing employees (Deloitte, 2022). Indeed, a recent PwC (2021) study illustrates that organisations struggle to identify the skills they will require in the future of work with only 26% of respondents being confident in their ability to capture these skills. Thus, greater understanding of how firms integrate skills in their talent management agenda is required.

Adopting a phenomenon-based mode of theorising (Fisher *et al.*, 2021), we seek to address the following research question: *How can a skills-matching perspective on talent management foster the development of strategic agility?* The primary level of analysis for our theorising is the firm (MNE) and our phenomenon of interest is a skills-matching perspective on talent management. We draw on matching theory (Weller *et al.*, 2019) and adopt an agility lens (Doz, 2020) to develop new insights based on a real-world phenomenon (von Krogh *et al.*, 2012). Adopting a qualitative research design encompassing 34 interviews in 15 MNEs with senior HR leaders, we provide evidence of skills-matching efforts, fostering strategic agility. We show that a skills focus required revisiting talent strategies to facilitate initial and dynamic matching to external and internal labour markets.

Our primary contributions are twofold: First, adding to our understanding of the shifting boundaries of talent management (Vaiman *et al.*, 2021), we turn the spotlight on skills required in the future of work. We illustrate a range of skills-matching efforts and highlight the need for a more dynamic skills-matching model. We expand matching theory (Weller *et al.*, 2019) by highlighting key boundary conditions impacting skills-matching in talent management. We assert that this approach requires efforts which go beyond traditional learning and development strategies and practices, necessitating alignment across the wider talent function. Second, we contribute to our understanding of the role of talent management in fostering strategic agility (Doz, 2020; Harsch & Festing, 2020). Specifically, we reveal a set of dynamic capabilities, underlying two meta-capabilities, strategic sensitivity and resource fluidity, which underpin the skills-matching process and enable strategic agility. Thus, we emphasise the need to focus on skills acquisition and development in addition to more traditional forms of managing talent. By doing so, talent functions can enhance their capacity to adapt quickly and change the firm's resource base in response to shifting external and internal demands.

THEORETICAL FRAMEWORK

Strategic Agility

Given the levels of complexity and ambiguity that have become the norm in the external environment, strategic agility is considered an enabler that allows MNEs to manage their dynamic global operations (Asseraf & Gnizy, 2022; Harsch & Festing, 2020). Strategic agility refers to the ability to respond quickly to changes in the external and internal environment through a set of activities carried out by the MNE (Weber & Tarba, 2014).

Conceptually, the extant literature has associated strategic agility with both ambidexterity and dynamic capabilities (Shams *et al.*, 2021). For example, adopting the former, scholars have

focused on the exploration and exploitation of knowledge (e.g., Chebbi *et al.*, 2015; Vrontis *et al.*, 2017). A key challenge relates to the need to balance and integrate both exploration and exploitation demands (March, 1991). While exploration refers to the discovery of new knowledge which might lead to radical innovations, exploitation focuses on existing knowledge which is more commonly linked to incremental innovations (Shams *et al.*, 2021; Tushman & O'Reilly, 1996). Notably, the extant ambidexterity literature (for reviews see Junni *et al.*, 2015; Raisch & Birkinshaw, 2008) has been criticised for overly focusing on the structural duality of exploitation and exploration, often neglecting the enabling behaviours and capabilities of strategic agility (Doz, 2020).

In response to this criticism, scholars have increasingly adopted a dynamic capabilities lens (Teece *et al.*, 1997) and referred to a combination of dynamic capabilities which are necessary to foster strategic agility (Teece *et al.*, 2016). Dynamic capabilities can be defined as a firm's ability "to integrate, build and reconfigure internal and external competencies to address rapidly changing environments" (Teece *et al.*, 1997: 516). Thus, these dynamic capabilities can be distinguished from ordinary capabilities which help firms to manage day-to-day routine activities (Teece, 2014). A set of three meta-capabilities, in particular, has been identified as enabling strategic agility, including strategic sensitivity, leadership unity or collective commitment, and resource fluidity (Doz & Kosonen, 2010, Doz & Kosonen, 2007; Ivory & Brooks, 2018).

In an MNE context, most agility studies have centred around operational areas such as IT, supply chain, and agile production (Shams *et al.*, 2021), drawing particularly on flexible and lean manufacturing principles (for an overview on lean research, see Danese *et al.*, 2018). These studies identified a range of characteristics of agile organisations including, for example, approaches that focus on customer needs, problem-solving, cooperation, organisational learning and knowledge development, information sharing and transparency,

trust and empowerment, and a culture of change (e.g., Christofi *et al.*, 2021; Liker & Morgan, 2006; Raisch & Birkinshaw, 2008; Sherehiy *et al.*, 2007). However, these characteristics can generally be seen as broader enabling capabilities for agile organisations to make sense quickly, make decisions nimbly, and redeploy resources rapidly (Brueller *et al.*, 2014; Doz, 2020).

We acknowledge that agility affects multiple levels of an organisation, for instance, philosophy, culture, mindset, processes, methodologies, and behaviours and is relevant to stakeholders including individuals, teams, and leaders (McMackin & Heffernan, 2021). However, as agility remains a fuzzy concept (Shams *et al.*, 2021), it is critical to note that the focus of our study is on the role of talent management in fostering strategic agility. Despite bold assertions that “HR is going agile” (Cappelli & Tavis, 2018: 47) and increasing prominence in mainstream media (e.g., Komm *et al.*, 2021), the academic literature on agility in an HR context remains embryonic (Ahammad *et al.*, 2020; McMackin & Heffernan, 2021). About two decades ago, Shafer *et al.* (2001: 197) noted in this journal that “almost nothing is known about designing a human resource strategy to enhance marketplace and organizational agility”. Their empirical study identified four key lessons: first, strategic agility has to be deliberately pursued albeit in an emergent fashion; second, guiding models facilitate the formation of agility-oriented HR strategies; third, a limited number of integrated HR initiatives relate to strategic agility; and fourth, these HR initiatives influence the wider HR practices, processes, and policies in the organisation (Shafer *et al.*, 2001).

Perhaps surprisingly, only a few studies have since considered agility in an HR setting. For example, in their conceptual study, Nijssen and Paauwe (2012) proposed three competencies for organisational agility, including workforce scalability, fast organisational learning, and a highly adaptable organisational infrastructure. Workforce scalability refers to a firm’s capacity to keep its HR aligned with changing business needs by rapidly changing its

workforce composition (Dyer & Ericksen, 2006); fast organisational learning relates to sensing of the market externally and embedding learning internally which focuses on knowledge creation, sharing, and application (Dyer & Shafer, 2003); and a highly adaptable organisational infrastructure (Mintzberg, 1992) facilitates the coordination and integration of various HR activities and the deployment of resources. More recently, further conceptual studies have focused on, for example, employees' entrepreneurial behaviours as drivers of strategic agility (Xing *et al.*, 2020), with organisations nourishing improvisational capabilities through HRM practices (Cunha *et al.*, 2020), and the impact of institutional contexts in shaping HR strategies and strategic agility (Cumming *et al.*, 2020).

Drawing on earlier research (Doz & Kosonen, 2007), Doz (2020) illustrated how individual executives and HR practices can potentially contribute to strategic agility through three enabling meta-capabilities: strategic sensitivity, collective commitment, and resource fluidity. Strategic sensitivity refers to a high level of strategic alertness and dialogues; collective commitment relates to leadership unity to make and implement strategic decisions; and resource fluidity refers to the ability to rapidly redeploy resources (Doz, 2020). In a similar vein, Harsch and Festing (2020) also adopted a capabilities lens to assert, in line with Collings *et al.* (2019), that talent management itself is a dynamic capability. Harsch and Festing (2020) distinguish between three talent management approaches which foster strategic agility. The “individualised approach” was adopted in small and relatively agile firms and characterised by flat hierarchies, a high degree of autonomy, and flexibility; the “paternalistic approach” was mostly found in moderately agile firms and characterised by cooperation and a hands-on mentality; finally, the “sophisticated approach” was predominantly utilised in MNEs and characterised by rigid structures and processes but showing efforts to increasingly develop strategic agility. In this current study, we specifically

seek to understand how a skills-matching perspective on talent management can foster strategic agility in organisations, which we expand on in the next section.

A Skills-matching Perspective on Talent Management

Matching can be defined as “the process by which individuals are dynamically aligned with organizations and the situations (roles, jobs, tasks, etc.) within them” (Weller *et al.*, 2019: 189). The matching process can take place in both external and internal labour markets, and the quality of a match is determined by the degree of compatibility between the person and the environment (Kristof-Brown *et al.*, 2005). As such, matching plays a key role in staffing organisations (e.g., Bidwell & Keller, 2014; Ployhart, 2006) and when considering employee mobility (e.g., Mawdsley & Somaya, 2016). High quality matches achieved through the matching process can create value for both individuals and organisations. At an individual level, match quality positively relates to, for example, job satisfaction, performance, and reduced stress and turnover (Kristof-Brown *et al.*, 2005). At an organisational level, matching can increase flexibility (Wright & Snell, 1998) and enhance human capital resources (Ployhart *et al.*, 2014).

Traditionally, matching has focused on matching individuals to fixed roles, often conceptualised through the attraction-selection-attrition model (Schneider *et al.*, 1995). Building on this, the dynamic matching lifecycle model (Weller *et al.*, 2019) provides a more holistic view incorporating two core mechanisms: initial matching and dynamic matching. Initial matching refers to the selection stage where matches are created through recruitment and hiring; dynamic matching refers to subsequent adaptations through development and reconfiguration utilising vertical or horizontal mobility, as well as the termination stage (Weller *et al.*, 2019). Thus, the model encompasses a bundle of HR practices and adopts a HR systems perspective (Chadwick, 2010). Weller and colleagues (2019) outline four

assumptions underlying dynamic matching scenarios: first, individuals and organisations are heterogenous and therefore cannot be randomly selected (Lazear & Oyer, 2013); second, there is a nested heterogeneity given the multidimensionality of employees and organisations – employees have varying knowledge, skills, and other attributes (KSAOs) and organisations have varying jobs, roles, and tasks (Felin & Hesterly, 2007; Ployhart & Moliterno, 2011); third, matches are considered unstable as they are taking place in a particular context and situations are likely to change (Weller *et al.*, 2019); and fourth, matches are impacted by the often constrained information available or by opportunistic behaviours (Bangerter *et al.*, 2012).

For the purpose of this paper, we are particularly interested in skills matching. The OECD (2019: 2) describes skills as “the ability and capacity to carry out processes and be able to use one’s knowledge in a responsible way to achieve a goal.” Adopting a human capital resource lens, Ployhart and Moliterno (2011: 134) define skills as the “capacity to learn more information or learn information more quickly. [...] They are tied to generic domains reflecting much of what is learned through formal education or experience.” Notably, while skills are broadly tied to generic domains, they can also be context-specific, for example, when navigating an organisation’s political landscape (Ployhart & Moliterno, 2011). While skills is certainly not a new term in the talent management field, it has, perhaps surprisingly, played a less substantial role in the discourse and has been generally considered in the context of other cognitive and non-cognitive KSAOs (e.g., Gallardo-Gallardo *et al.*, 2013; Jooss *et al.*, 2021). For example, when considering the meaning of talent, Silzer and Dowell (2009) note the importance of systematically developed knowledge, skills, and abilities. Similarly, when referring to leadership potential, Dries and Peppermans (2012) identified analytical skills as one of four categories. However, more focused discussions around skills-matching are limited in the talent management literature despite an ongoing

emphasis on talent development as a key priority (Lazarova *et al.*, 2023; Meyers *et al.*, 2020). This could potentially be explained by the shift in focus from conventional job differentiation in terms of inputs (including skills) towards outputs, considering particularly variation in performance (Huselid *et al.*, 2005).

In contrast, in the wider HR literature, some scholars have examined HR aspects utilising a skills approach. For example, over the last two decades, skill-based compensation has gained traction (e.g., Dierdorff & Surface, 2008; Murray & Gerhart, 1998) and skill-oriented HR practices were found to have a positive impact on skill utilisation and well-being, especially with high-skilled workforces (Okay-Somerville & Scholarios, 2019). We argue that the limited engagement with the skills agenda in the talent management literature to date is a shortcoming and is misaligned with emerging skill priorities in organisations (Deloitte, 2022; PwC, 2021). In the context of the future of work, the World Economic Forum (2020) estimates that 50% of all employees will need reskilling by 2025 and 40% of current workers' core skills are expected to change in the next five years (see also Collings & McMackin, 2021). Moreover, a recent survey found that executives believe that skills-based organisations are more likely to place talent effectively, have a reputation as a great place to grow and develop, and retain high performers (Deloitte, 2022). This substantiates the need to examine how a skills-matching perspective on talent management can foster strategic agility.

METHODOLOGY

Research Design

Our qualitative research design aimed to explore emerging approaches to talent management in MNEs. The qualitative design allowed us to garner rich insights into a range of talent management strategies and practices and foster “new ways of seeing” in the context of the future of work (Shaw *et al.*, 2017: 397). The 15 participating MNEs conducted business

globally (operating in 15-200 countries) and were headquartered in Asia (China), Europe (Germany, Ireland, Switzerland, the Netherlands, UK), and the Americas (USA). These firms operated in a range of sectors including communications, consumer discretionary, consumer staples, energy, health care, technology. The MNEs' global workforce ranged from 9.000 employees to almost 300.000 employees. Table 1 provides an overview of the MNEs including sector, location of headquarters, number of countries operating in, and number of employees. All firms had dedicated talent functions or professionals and adopted talent management processes and practices with differentiated investment to identify, develop, and retain talent in key positions.

 Insert Table 1 about here

Data Collection

We conducted 34 in-depth interviews with senior HR leaders. These leaders were personal contacts who were approached via LinkedIn and email to participate in the study. In the majority of MNEs, we conducted two interviews; in a few firms we conducted one or three interviews. In each firm, our personal contact acted as a gatekeeper to identify other suitable participants. Interviewees were employed in senior roles in talent management, talent acquisition, mobility, or HR, and their titles included Director, Vice President (VP), and Senior VP. The interviewees' seniority was important (Saunders & Townsend, 2016) to get insights in relation to both business and HR strategies as well as more specific talent management practices. The interview questions focused on the formulation and operationalisation of business, HR, and talent strategies. We asked, for example, how COVID-19 impacted their organisation. Has it shifted strategic business priorities? What are

the key priorities and changes for HR functions and what has influenced these changes? What makes current approaches to talent management fit for purpose, and what are its limitations? What are new emerging approaches to managing talent? The interviews were conducted between March 2021 and November 2021, lasted on average 47 minutes, and were recorded and transcribed verbatim.

 Insert Table 2 about here

Data Analysis

In this paper, we adopted a phenomenon-based mode of theorising (Fisher *et al.*, 2021). First, we identified our study phenomenon which emerged from the data – a skills-matching perspective on talent management. Second, we connected the phenomenon with existing theories. Matching theory (Weller *et al.*, 2019) and an agility lens (Doz, 2020) acted as guiding logics to understand the approaches taken to skills-matching. Third, we advanced these theories explaining the phenomenon, specifically how a skills-matching perspective on talent management can foster strategic agility. Following reflexive thematic analysis (Braun *et al.*, 2022), we first familiarised ourselves with the data and developed initial open codes reflecting the language used in the MNEs (Braun & Clarke, 2006). In an iterative process between data and theory (Locke, Feldman, & Golden-Biddle, 2022), we identified skills-matching as the most salient theme in our data in the context of the future of work. Thus, by “focusing on puzzles” (Grodal *et al.*, 2021: 597), we moved from an initial broad focus to a narrower focus of study.

Table 3 presents our coding structure. As a result of “constant iteration” (Fisher *et al.*, 2021: 637), we developed three skills-matching categories including (1) skills-matching

talent strategies, (2) initial skills-matching in the external labour market, and (3) dynamic skills-matching in the internal labour market. These categories are the building blocks of the following findings section. Within each category, we then identified a set of dynamic capabilities and skills-matching efforts, and several enabling behaviours and conditions. The dynamic capabilities were adjudged to enable strategic agility as they facilitated either strategic sensitivity or resource fluidity (Doz, 2020). Dynamic capabilities of strategic sensitivity included (a) strategic alertness, (b) opportunity seeking, (c) early pattern recognition, (d) out-of-the-box thinking, and (e) being sensitive to context. Dynamic capabilities of resource fluidity included (a) realising interdependencies, (b) adaptive learning, and (c) multidimensional processes.

 Insert Table 3 about here

FINDINGS

Skills-matching Talent Strategies

The MNEs in our sample had established a range of talent management processes and practices, and identifying, developing, and retaining talent was viewed as a core HR priority, being “*absolutely top of the agenda*” (Global Head of Talent, Co12). Core talent philosophies and strategies largely remained in place despite COVID-19. However, the pandemic impacted talent supply and demand through short-term restrictions and changing business requirements (e.g., high demand in the healthcare sector and low demand in the hospitality sector). Several participants referred to efforts to become more agile across the wider talent function and “*there is a huge pressure on prioritisation, standardisation, and*

simplification” (Director Global Talent, Capabilities, and Organisational Development, Co15).

A salient theme that emerged from our data across many MNEs was a focus on skills in talent management in response to the demands of the changing nature of work. There was a widespread *recognition of skill demand* in a future of work context, placing greater emphasis on skills-matching. For example, one participant noted that as a “*research, knowledge, IP driven business, knowledge and skills are really critical for us*” (VP HR, Global Head of Talent, Co4). Similarly, another participant referred to “*a particular need for highly skilled, high intellect people*” (Global Head of Talent, Co12). Various MNEs in our sample had started to build a proactive approach to skill management. Particular reference was made towards automation and digitalisation. The pandemic has accelerated digital adoption, facilitating organisational transformations and requiring new skillsets (e.g., Global Head of Talent Management, Co8; Head of Talent Acquisition, Co9; Director Global Talent, Capabilities, and Organisational Development, Co15). It was noted that “*a more dynamic approach to our skilful management*” was needed to “*ensure individuals are continually upskilling, reskilling, and learning*” (VP Talent Strategy and Excellence, Co7). Importantly, these skill management efforts were aligned with wider business strategy and vision. For example, one participant noted that they wanted to “*change the proportion of revenue that comes from non-automotive. Does that require a different capability set and are there different types of commercial partnerships in that space that we maybe are not attuned to now*” (Director of Talent and Organisational Development, Co13)? Similarly, other MNEs aimed to strengthen their strategic alignment and illustrated the link between business model transformation and skillsets, requiring skills-matching in external and internal labour markets.

“A lot of the key roles may have capability requirements that not only do we not have them, but they might not even be in the market yet. There will be a bigger focus for us looking to our Head of Strategy, someone we

should have tied into our capability conversation” (Director of Talent and Organisational Development, Co13).

“We look at the business strategy, the new skillsets that are emerging and also some of the skillsets which may become legacy skillsets in the future but also which can be transitioned into the new skills that are required. We look quite strategically at the transition from one business model to another and what those skill adjacencies are within that to really be clear to what that means on a skill pool basis” (VP Global Integrated Resourcing, Co7).

Initial Skills-matching in the External Labour Market

Turning to the external labour market, a core focus in our MNEs was an initial skills-matching perspective on talent management. In doing so, we found evidence of agility through (1) increasing investment in future of work skills, (2) a shift in focus from jobs to skills, and (3) the creation of new roles.

First, *increasing investment in future of work skills* was referred to as a key priority for talent functions. Participants highlighted the need to rapidly fill internal skills gaps, particularly for key roles and executive roles and in situations where the MNE was experiencing significant growth, for example, through acquisitions and mergers; “*we cannot wait, which is a terrible thing to say, for those people who are good and younger and further back; we cannot expedite them quickly enough*” (Global Head of Talent, Co12).

“When opening executive roles, there are several principles that we have in mind. One consideration is around bringing in new capabilities that we do not already have. Biopharma is really a critical capability as we think about our oncology work. We want to make sure we are bringing in new capabilities that will help our future biopharma, a lot of data insights and technology are new capabilities that we probably do not have enough of” (VP Talent and Succession, Co3).

Participants provided a set of strategies to facilitate the investment in future of work skills. This included a differentiated approach with significantly more resources invested in workforce planning, talent acquisition, and compensation for individuals with the required skillsets – “*depending on the region, needs, and obviously different functions and*

subfunctions with certain skills. For example, ecommerce, anything that is future facing, digital, supply chain reimagination, for all of those types of skills” (Senior Director Global Talent Management, Co11). In addition, a number of talent functions had become much more sophisticated in their workforce planning efforts, gathering information about skills availability proactively through market mapping; *“We know what our customers are doing, tracking them, watching them, seeing what is coming up next, gathering market intelligence, looking at our competitors; we spend a lot of time looking at them. Now, we need to do exactly the same thing with talent*” (Global Head of Talent, Co12). Indeed, this increasing focus on external skills data is reflective of a more proactive talent planning strategy.

Finally, participants flagged the need to develop branding strategies to attract non-industry talent with transferable skills. This was particularly necessary for some healthcare MNEs in our sample who were *“in a unique position to really serve science through the entire pandemic”* and therefore *“actually had high growth and going from a few hundred to maybe thousands of employees very quickly”* in some sites (Director Talent Management, Co2). Various other MNEs expressed the need for more digital and technology capabilities in their organisations which required talent functions to search outside their core industry.

“We just identified that we do not have that bench strength within for digital and tech capabilities; and frankly, we are in Silicon Valley where we have a lot of great talent for that. Now that talent needs to see us, not only as a biotech company but as a technology or digital capabilities company in order to really attract them. So we are thinking about those strategies” (Head of Talent Acquisition, Co9).

Second, a ***shift in focus from jobs to skills*** was highlighted by some MNEs in our sample. Various talent functions were in the process of establishing skills taxonomies to move towards staffing for skills rather than jobs. However, while there appeared to be strong collective commitment towards this change in some firms, it was noted that this continues to be an early stage of transition for the MNEs as *“many of our constructs are around jobs with traditional job evaluation, job families, etc., and we do not yet have the technology which*

enables us to take a skills perspective” (VP Global Integrated Resourcing, Co7). Another participant highlighted that *“the big piece that will impact us are systems and how we are using them, so that we can use this wealth of information that we will have”* (Global Head of Talent, Co12). Thus, technology was a key enabler of skills-based approaches to talent. Our participants also considered the impact on entry routes through recruitment as part of the shift towards skills. For example, firms strengthened collaborations with universities and apprenticeship programmes to develop particular future of work skills: *“We partner with a local university to give people technical skills to get prepared and ramped up”* (Director Talent Management, Co2). However, the need to be cautious of the impact that breaking down jobs into skills may have on talent management was also noted.

“As you break jobs down into the constituent parts to reconstitute them into new jobs, what is the impact on our ability to recruit and develop diverse talents? You want a number of roles to act as entry routes. from a talent perspective, from a fenceline, community perspective. It is about helping us to maximise some of the benefits of where the future of work may go, but also staying wise and savvy to the fact that you do not push it to the end degree” (VP Talent Strategy and Excellence, Co7).

In addition, talent functions adapted job profiles towards a skill focus. This included conversations with hiring and line managers to understand key skillsets for a role and adapting traditional job descriptions with an increasing focus on skills over experience and qualification. Some participants noted the importance of linking skillsets with key business objectives in a particular context rather than utilising generic job descriptions; *“we first identify what are the three key business objectives of this role and then we think about what are the key competencies that would help to deliver on those business outcomes”* (Director of Global Talent Acquisition, Co5).

“We match individuals with jobs by getting really clear on what are those true skills and capabilities that are needed. We get really specific with our managers to say, ‘what are the non-negotiables and what are the negotiables,’ whereas before, with our job descriptions it was like, these are the nine

hundred things that you need to come with. No, what are the three or four things that are critical for this role?” (Head of Talent Acquisition, Co9).

Third, *the creation of new roles* was a practice that several talent functions adopted.

This included developing new roles organically to fit business needs and establishing new roles to retain individuals with key skillsets. *“Our organisation changes shape a lot, between acquisitions and changes in structure, so we do organic changes sometimes to create leadership positions”* (Senior VP Global Talent Management, Co11).

“If a person is really talented, they create their own role. In our talent management, there are opportunities to create a role that does not exist at the moment. For example, we have a very bright guy, we got him involved in logistics distribution, so from manufacturing to a different skillset, and he thrived on it” (VP HR, Co1).

While the aspects discussed above present three examples of agility (investment in future of work skills, shifting focus from jobs to skills, creating new roles), several participants also noted some *boundary conditions* to initial skills-matching, including the structure of the talent acquisition function. It was noted that talent functions require a global perspective on skills but local decision-making capacity; *“our businesses are so diversified; it is critical that locally, they can move quickly and that the beast that sort of watches the whole thing at the top is not slowing them down”* (Global Head of Talent, Co12). Moreover, participants explained the need for a structure that reflects skill demands globally:

“We have a regional set-up within talent acquisition, with the exception of one function, which is digital/IT. They look globally at all tech skills in the future. Talent is not just local in most instances. We say, do we also move to a more functional alignment first for other skills, and then looking at it more functional-global as opposed to local” (Head of Global Talent Acquisition, Co4)?

Another boundary condition referred to was not only hiring for current skillsets. Some participants noted that skills are not stable forever. Thus, if people have a longer tenure within the organisation, talent functions *“should not only hire for today’s skills, but also hire for the ability to acquire and learn new skills”* (VP HR, Global Head of Talent, Co4). In this context,

learning agility and IQ as signposts of potential were flagged as important. Moreover, participants noted the need for better integration of skills themes with existing leadership frameworks.

“We have our leadership framework, our competencies, values, and behaviours. When we are assessing people, we are not assessing them on technical fit. But it is then adding skills to that. Skills is something that we do not have a common language across the enterprise at all. It is going to be critical that we have a very clear framework for skills” (Head of Global Talent Acquisition, Co4).

Dynamic Skills-matching in the Internal Labour Market

Within the internal labour market, a core focus in our MNEs was on increased mobility. In addition to vertical mobility (promotions), we particularly found efforts to increase horizontal mobility (transfers within the same vertical rank). To enable this mobility, talent management functions adopted a skills-matching perspective and several MNEs invested in a skills-based internal talent marketplace. In doing so, we found evidence of agility through (1) more flexible talent allocation, (2) increased transparency and empowerment, and (3) continuous learning and development.

First, *more flexible talent allocation* was reported as being particularly important in the context of the future of work. For instance, several MNEs noted that they have an increasing need for gig-projects which they traditionally resourced through hiring external contractors and consultants (see Collings & McMackin, 2021): “*We tend to spend a lot of money on contractors or consultants doing these projects, so there is also a financial incentive for us*” (VP Talent Strategy and Excellence, Co7). However, by focusing on skills-matching within the firms, these MNEs sought more flexible allocation of resources internally which allowed the organisation to deploy talent more quickly, become more networked as an organisation, and operate more cost-effectively:

“You also see a lot of agility, people with project work, in this internal labour market. We want to foster it even more because we see just a higher degree for the fluidity of talent and new opportunities. That is clearly a trend and I would say it is going to increase by probably 5% or so on an annual basis. And I would rather see it to accelerate in the coming years” (VP HR, Global Head of Talent, Co4).

In addition, flexible talent allocation also allowed talent functions to react to supply and demand changes as a result of the COVID-19 pandemic. Specifically, participants reported an increased focus on transferable skills to move employees from lower-demand business areas into higher-demand areas. This was particularly evident in the healthcare organisations in our sample, which tended to have a wide portfolio of products with significantly varying demands. Decisions on transferability were made based on skillsets of employees with some (e.g., quality, regulatory, IT) being identified as relatively more transferable across the wider organisation. It also led to talent functions questioning their traditional resourcing approaches.

“Managing employees who are working in product portfolios that are no longer in demand brings about questions about [...] what are we going to do to keep them occupied, can they transfer into other parts of the business, what is their skillset? And frankly, do we need to resource this area in the same way that we have been doing all along. If you are working in a role, maybe you can switch and transfer your skillset from one product portfolio into another” (VP Global Talent Development, Co1).

Other MNEs that were severely affected by COVID-19, e.g. in the hospitality sector, merged some roles with transferable skillsets, developing a system of greater flexibility. For example, “*where employees were working in one restaurant, now colleagues are working across restaurants, so they have that level of flexibility and I think that will remain*” (VP Organisational Development, Co5). Pre-COVID-19 this was not a common practice as the various Food and Beverage outlets (e.g., fine-dining, brasserie, speciality restaurant, etc.) had their assigned staff. However, the hospitality firm realised the transferability of skills despite the unique features of each outlet. Another organisation broadened employees’ skills to allocate talent more flexibly to areas of high impact needs, and in doing so strengthened links

from talent strategy to strategic imperatives, while demonstrating leadership unity across the organisation.

“We have broadened people’s capabilities so that they can flow more to where the high impact needs are across the organisation. Where you used to have a siloed role, we say, you have a capability that can go to multiple customers, so that we are not in this reactive scramble that we were before. And also where our people could not really connect the dots to broader thinking and acting in a way that really was beneficial to our organisation” (Head of Talent Acquisition, Co9).

Second, *increased transparency and empowerment* of opportunities across the organisation was highlighted as a priority for the talent function. Some firms discussed talent with a particular skillset, for example, when discussing project needs during leadership meetings, *“that starts to create conversations and opportunities, and it is pretty easy to say, hey, I have got a project that I could really do with that person’s capabilities”* (Head of Talent Management Europe, Co3). Several MNEs referred to addressing *“poor internal visibility”* for employees, particularly outside their core function (Director of Talent and Organisational Development, Co13). These MNEs introduced AI-based ‘internal talent marketplaces’ – internal digital platforms which match individuals’ skillsets with work opportunities (tasks, projects, jobs). Such platforms empowered employees to find opportunities and also increased their awareness of skill needs for various projects or roles. As opportunities are pushed to employees rather than being identified through a job search or informal connections, it was a shift in the way the talent functions operated and for organisations *“a culture change more than anything else”* (Senior VP Global Talent Management, Co11).

“We tell employees to be owners of their career, but they felt they do not have enough transparency and enough levers to press in order to actually do that. It is really about adding that transparency and improving the experience that way and giving employees a bit more of almost a codification of what skills are relevant to different roles that are not necessarily buried in job descriptions” (Senior Director Global Talent Management, Co11).

“We listened to associates and 80% said they struggled to find opportunities in areas outside of their own function or geography; they also say their quality of their talent management and the conversation depends a lot on their manager, so there is a huge reliance on them; finally, it is also around access to opportunities, understanding what skills they need in the future to remain relevant and have access to better opportunities” (VP HR, Global Head of Talent, Co4).

Third, *continuous learning and development* through internal mobility was a core agenda item for talent functions. As with transparency and empowerment, the critical role of the internal talent marketplace in facilitating continuous learning and development was noted in several MNEs as was the importance of skillsets to match with appropriate learning opportunities. Participants highlighted how the talent marketplace allowed individuals to engage in learning-by-doing, applying learning that they acquire, giving them an opportunity to learn new skills. Our interviewees referred to changing skillsets required in the future of work and the need to establish a culture of continuous learning. They noted the need for agility, placing greater emphasis on up- and reskilling of the workforce rather than relying on forecasting needs.

“The strength of our model has been around skilful management to look horizontally across businesses and to be able to move people around; that remains. However, with the dropping half-life of skills we need to essentially become more agile. In the past, we used to try and predict the future based on project demand and growth; that was almost invariably wrong, a complete waste of time, and led to boom-and-bust hiring. We have very much come to the view that it is not about predicting the future and it is not about waterfalling. We have to have a model which is more adaptive to the future” (VP Talent Strategy and Excellence, Co7).

While the discussion above presents three examples of agility (flexible talent allocation, increased transparency and empowerment, continuous learning and development), some participants also noted some *boundary conditions* to dynamic skills-matching, namely the importance of aligned frameworks and structures to reflect a skills-matching perspective on talent management. For instance, it was noted that most vertical mobility (promotions) still followed the traditional career path model: “*I do not think we have systematically*

rethought how we need to change our talent development approach, it has been a very standard career path” (Head of Global Mobility, Co4). Participants also highlighted the need for clarity around how skills are defined and assessed and to ensure awareness among employees of their own skillsets through conversations with managers and 360° feedback. In addition, some interviewees noted the need to move away from static organisational designs towards more fluid skills-based work.

“It is imperative to be clear on what skills and capabilities are required, and as leaders to actively engage with employees on what skills and capabilities they possess. We are saying, ‘work with your manager and your own self-reflection.’ We also do 360 feedback. I think it is a real expectation of our employees to be able to articulate their strengths” (Head of Talent Acquisition, Co9).

“We really want to transition to a place where we pay for skills rather than being focused on a more static organisation design. You have got more fluidity but actually deploying people to have impact, we are not there yet, just in terms of our structures. I almost see it developing through natural teams as the accelerator rather than through the structural shift. Because it just starts to naturally break down silos which may exist today and get people working together” (VP Global Integrated Resourcing, Co7).

An additional concern expressed by some participants was the coexistence of more traditional forms of talent management with more planned ‘slotting’ of individuals into roles based on a pre-determined succession plan versus ‘posting’ opportunities through a skills-based internal talent marketplace (Keller, 2018). Most participants agreed that talent management becomes more deterministic for more senior organisational roles with more fluidity and choice at lower levels in the organisation. Moreover, a few participants noted that deconstructing jobs was not really feasible for their front-line workers, emphasising the continuing relevance of other talent constructs such as potential.

“One of the big questions we have is, can a talent marketplace and talent management coexist? And of course it can, we will make it work, but the reality is, if you listen to Gloat and some of the folks like Boudreau, Bersin, and Goldberg, if you push it all the way, it completely eliminates the idea of staffing for jobs and succession planning, and it goes instead to this world of all skill based and things just come together and who cares about potential

because it is really skill and not potential. It would be chaos for an organisation like ours. We are a machine and we cannot have jobs deconstructing. At least in the front line, there is no leeway. Every minute in this is sale lost for us” (Senior VP Global Talent Management, Co11).

“At the very top level, you are probably looking towards slotting, there are specific experiences that people need to get them ready for the next jump. That is a little bit more managed. I would see that probably as the easier part. The posting stuff is about creating an approach where everybody can see everything, around equity and fairness, and making sure that people are aware of the landscape but I suspect that the two will have to cooperate” (Director of Talent and OD, Co13).

DISCUSSION AND CONCLUSIONS

This paper set out to understand how a skills-matching perspective on talent management can foster the development of strategic agility. Based on matching theory (Weller *et al.*, 2019), we distinguished between initial matching in the external labour market and dynamic matching in the internal labour market, and applied this approach in the context of talent management. We found evidence of a set of dynamic capabilities enabling strategic agility, but also highlight key boundary conditions for skills-matching.

Theoretical and Empirical Implications

Our primary contributions are twofold: First, in contributing to discussions on the shifting boundaries of talent management (Vaiman *et al.*, 2021), we turn the spotlight on skills required in the future of work and highlight the need for a dynamic skills-matching model. We show that the re- and upskilling needs of MNEs (World Economic Forum, 2020) mean that matching continues well beyond the initial match of the hire from the external labour market. Increasingly, MNEs invest in dynamic matching (Weller *et al.*, 2019) within the internal labour market. However, MNEs continue to seek key skills externally in an attempt to improve match quality. Thus, our study confirms the need for balancing initial and dynamic matching efforts (Bidwell & Keller, 2014).

We expand matching theory by responding to the call for insights on the role of alignment in the matching process. Past research has proposed a two-by-two matrix of design parameters in theorising the role of alignment in the matching process (Weller *et al.*, 2019). This matrix refers to centralised/decentralised matching efforts and strong/weak formalisation of matching processes. Traditional labour markets are centralised and formalised; talent networks are centralised but less formalised; ‘local optimisers’ refer to a decentralised and formalised approach; and ‘talent adhocracy’ relates to a decentralised and less formalised approach (Weller *et al.*, 2019). Our study shows that MNEs are increasingly centralising their initial and dynamic skills-matching process but utilise a mix of strong and weak formalisation. For example, targeted skills acquisition from the external labour market is rolled out at a corporate level globally (centralised, strong formalisation). At the same time, internal talent marketplaces were introduced across various MNEs, placing more focus on talent networks (centralised, weak formalisation).

While the two-by-two matrix is undoubtedly a helpful starting point in considering alignment, we provide a more nuanced view illustrating the complexity of the skills-matching process within the wider talent context. Specifically, several key boundary conditions were identified that, we assert, impact skills perspectives on talent management: First, the *structure of the talent function* was a crucial aspect for matching processes. In the external labour market, this related predominantly to talent acquisition and the need to reflect varying skills needs in its setup, e.g., a dedicated global team searching for a particular key skill. In the internal labour market, a question arose around the coexistence of organisation-led talent management and individual-driven talent marketplaces. Therefore, careful consideration of ‘posting’ and ‘slotting’ efforts (Keller, 2018) emerged as a vital condition. Second, *clarity and integration of a skills language* across the MNEs were challenges evident in both external and internal labour markets. For example, when acquiring talent in the external

labour market, considering the role of skills versus other aspects of the ‘talent’ construct (Gallardo-Gallardo *et al.*, 2013), such as leadership frameworks, potential, personality, and IQ, required more attention within the MNEs. In the internal labour market, establishing broad, transferable skills taxonomies as the basis of operating internal talent marketplaces was widely recognised as a requirement. However, the true meaning of skills categories such as ‘digital’ was questioned.

Third, *applicability of the skills construct* varied across the MNEs. While a set of firms had clear intentions to shift from a job to a skills focus, others highlighted the limitations of deconstructing jobs, particularly in a front-line setting. Thus, our study highlights the vital role of context in choosing the core matching construct (e.g., jobs, roles, tasks, skills). Given the complexities evident in the three boundaries presented, we assert that a skills-matching approach involves efforts which go beyond traditional learning and development strategies and practices, necessitating alignment across the wider talent function. Figure 1 highlights the initial and dynamic skills-matching efforts, a set of dynamic capabilities underpinning the skills-matching process, and the above described boundary conditions for skills-matching.

 Insert Figure 1 about here

Our second contribution relates to the talent management and agility discourse (Harsch & Festing, 2020). While strategic agility has received increasing attention in an MNE context (Christofi *et al.*, 2021), most of the scholarly work has focused on supply chain and operations. Thus, adopting an agility lens (Doz, 2020), we clarify the role of talent management in fostering strategic agility. Specifically, we reveal two meta-capabilities (Doz,

2020), strategic sensitivity and resource fluidity, which act as a foundation for dynamic capabilities (Teece *et al.*, 2016). These dynamic capabilities underpin the skills-matching process and enable strategic agility which is presented as an outcome in Figure 1. For instance, as part of the initial skills-matching process, we found examples of *strategic sensitivity* in that participants demonstrated a high level of strategic alertness, being aware of key skills required in the future of work and the need to align skills with changing business needs. We also found evidence of opportunity seeking, early pattern recognition, out-of-the-box thinking, and being sensitive to context. As part of the dynamic skills-matching process, *resource fluidity* was a central meta-capability that enabled strategic agility. We found evidence of firms realising interdependencies, adaptive learning, and multidimensional processes. The ability to rapidly redeploy resources was one of the key organisational drivers of investment in internal talent marketplaces. In addition to these dynamic capabilities, we also address the call for more insights on enabling behaviours (Doz, 2020) in the context of skills-matching (see Table 3). We ultimately argue that through moving from a more hierarchical, rigid organisational structure around jobs towards flatter, more adaptable structure built around skills, MNEs can increase their strategic agility. This is particularly so where focus is placed on key future of work skills which have a strong link to strategic business needs (strategic sensitivity) and transferable skills which can be deployed rapidly across the organisation (resource fluidity).

Practical Implications

Our findings also offer practical implications for HR professionals and managers. We conclude that a skills approach to talent management allows MNEs to be more agile, responding quickly to shifting external and internal demands. First, our study emphasises the need to focus on skills acquisition and development – in addition to more traditional forms of

managing talent which might be centred around high performers and high potentials. To do so, there is a need to recognise skill demands holistically across the MNE and develop a skills philosophy in the wider talent function. This also requires the completion of a skills inventory, identifying skills gaps within the organisation. Second, MNEs should develop an understanding of the dynamic capabilities that underpin initial and dynamic skills-matching in the external and internal labour markets which may have implications on governance, frameworks, data, and technology. If skills inform workforce decisions, this will likely impact a range of HR practices including workforce planning, talent acquisition, learning and development, performance and rewards management, diversity and inclusion, and others. MNEs need to decide to what extent the skills perspective will shape these practices going forward. Third, MNEs need to be cognisant of the boundary conditions that impact the skills-matching process and need to ensure alignment between the wider talent function and the skills perspective. We note the critical role of structures, a common skills language, and the applicability of the skills construct for stakeholders.

Limitations and Future Research

Our study has several limitations which are worth noting. First, we rely on a phenomenon-based mode of theorising (Fisher *et al.*, 2021). In doing so, we had to confront trade-offs in terms of what to include in our findings and what to leave out. As our phenomenon of interest was a skills perspective on talent management, and as we specifically asked how a skills-matching perspective on talent management fosters the development of strategic agility, we focused on data illustrating the skills focus and providing examples of dynamic capabilities which enable strategic agility. We saw this as a necessary step to get to sufficient depth required for a theoretical contribution (Fisher *et al.*, 2021), but we acknowledge that MNEs may have also formulated additional talent management priorities. Future research may

therefore further consider how a skills perspective on talent management may be adopted in conjunction with other processes and practices.

Second, it was not our intent to ‘evangelise’ a particular approach to talent management. Instead, we noted a skills perspective on talent management as a salient theme (Grodal *et al.*, 2021) and we depicted this phenomenon through initial and dynamic skills-matching processes. Thus, future research needs to further examine the impact of skills-matching talent strategies on firms’ ability to manage external and internal disruptions and crisis situations. Importantly, we identified key boundary conditions which are likely to impact the adoption of skills-based approaches. Building on our paper, we therefore call for more research on these boundary conditions and the challenges organisations face when designing and implementing skills-matching processes.

Third, our study focused on strategic agility in organisations (Doz, 2020) and we consequently did not unpack “workforce agility” in the participating firms. As workforce agility investigates how employees cope and adapt to changes in a dynamic setting (e.g., Cegarra-Navarro *et al.*, 2016; Felipe *et al.*, 2016), a wider sample, including employees, is required to draw any conclusions on this form of agility. Therefore, we also did not consider specific individual-level characteristics such as intellectual curiosity or self-confidence which may shape agility outcomes (Doz, 2020). In addition, future studies could also focus on an “agile-for-HR” lens (McMackin and Heffernan, 2021) to adopt agile working as an operational HR strategy, emphasising the application of agile tools and mindsets to teams and projects within the HR function.

Finally, we are conscious that our sample focused on senior HR leaders sharing their experiences on talent management in the context of the future of work. While we found evidence of strategic sensitivity and resource fluidity as two meta-capabilities enabling

strategic agility, our sample did not allow us to draw conclusions on collective commitment as an additional meta-capability (Doz, 2020). A wider sample of individuals in a variety of managerial roles would be required to reveal the extent of leadership unity in terms of a skills perspective on talent management. In addition, to further unpack the underlying challenges of up- and reskilling, involving line and middle managers in the research will be needed.

Unpacking whether a skills perspective on talent management not only impacts the setup of talent functions but also the approach to managing people by line and middle management deserves more attention. Overall, we hope that our paper serves as a catalyst for more research on skills-based talent management in organisations.

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TABLE 1
Organisations

MNE	Sector	Headquarters	Countries	Employees
Co1	Health Care	USA	25-50	>10.000
Co2	Health Care	USA	25-50	>50.000
Co3	Health Care	USA	10-25	>50.000
Co4	Health Care	Switzerland	150-200	>100.000
Co5	Consumer Discretionary	China	25-50	>10.000
Co6	Health Care	Germany	50-100	>10.000
Co7	Energy	The Netherlands	50-100	>50.000
Co8	Consumer Discretionary	The Netherlands	25-50	>200.000
Co9	Health Care	USA	100-150	>10.000
Co10	Technology	USA	150-200	>50.000
Co11	Consumer Staples	USA	200-250	>200.000
Co12	Health Care	Ireland	25-50	>5.000
Co13	Consumer Discretionary	Ireland	25-50	>100.000
Co14	Health Care	USA	50-100	>50.000
Co15	Communications	UK	10-25	>50.000

TABLE 2
Interviewees

MNE	Position	Country	Gender	Years in Firm
Co1	VP HR	Ireland	M	10
Co1	Senior HR Director	Ireland	M	15
Co1	VP Global Talent Development	Ireland	F	12
Co2	Director Talent Management	USA	F	7
Co2	Director Global Mobility	USA	F	10
Co2	Head of HR Europe, Middle East, and Africa	Germany	M	12
Co3	VP Talent and Succession	USA	F	6
Co3	Head of Talent Management Europe	UK	M	3
Co4	Head of Global Talent Acquisition	Switzerland	F	10
Co4	Head of Global Mobility	Switzerland	F	5
Co4	VP HR, Global Head of Talent	Switzerland	M	1
Co5	VP Organisational Development	UK	F	14
Co5	Director of Global Talent Acquisition	China	F	2
Co6	Head of People Development	Germany	M	11
Co6	Senior Manager Global Assignments	Germany	F	4
Co6	Head of Shared Services North America	USA	M	5
Co7	VP Talent Strategy and Excellence	UK	M	18
Co7	VP Global Integrated Resourcing	UK	F	20
Co7	VP Perform and Deploy, People Safety	UK	F	7
Co8	Global Head of Talent Management	Sweden	F	8
Co9	Head of Talent Acquisition	USA	F	14
Co9	Head of Talent Mobility	USA	M	1
Co10	Head of Global Mobility	Singapore	M	12
Co11	Senior VP Global Talent Management	USA	M	21
Co11	Senior Director Global Talent Management	USA	F	5
Co11	Senior Analyst Global Talent Management	USA	F	1
Co12	Global Head of Talent	Ireland	F	7
Co13	Director of Talent and Organisational Development	Ireland	M	1
Co13	Senior Global Mobility Manager	Ireland	M	1
Co14	Director Global Mobility	USA	F	2
Co14	Senior Director Global Talent Management	UK	F	1
Co15	Director Global Talent, Capabilities, and Organisational Development	UK	M	20
Co15	Deputy Group Reward Director	UK	M	15

TABLE 3
Coding Structure

Skills-matching categories	Dynamic capabilities and skills-matching efforts	Enabling behaviours and conditions
Skills-matching talent strategies	<i>Strategic alertness:</i> recognition of skill demands	<ul style="list-style-type: none"> • Identify critical role of skills for the organisation • Build a proactive approach to skill management • Align with wider business strategy and vision
Initial skills-matching in the external labour market	<i>Opportunity seeking:</i> investment in future of work skills	<ul style="list-style-type: none"> • Address internal skills gaps • Invest with a differentiated skills approach • Gather information proactively via market mapping • Develop branding to attract non-industry talent
	<i>Early pattern recognition:</i> shifting focus from jobs to skills	<ul style="list-style-type: none"> • Establish skills taxonomies • Consider impact on recruitment for entry routes • Adapt job profiles towards skill focus • Relate skill requirements to business objectives
	<i>Out-of-the-box thinking:</i> creating new roles	<ul style="list-style-type: none"> • Develop new roles organically to fit business needs • Establish new roles to retain staff with key skillsets
	<i>Being sensitive to context:</i> boundary conditions	<ul style="list-style-type: none"> • Structure of talent acquisition function • Integration of skills with leadership framework • Current skillset versus ability to learn new skills
	<i>Realising interdependencies:</i> flexible talent allocation	<ul style="list-style-type: none"> • Utilise more internal gig projects to deploy talent • Become more networked as an organisation • React rapidly to supply and demand changes • Merge roles and broaden people's capabilities
Dynamic skills-matching in the internal labour market	<i>Multidimensional processes:</i> increased transparency and empowerment	<ul style="list-style-type: none"> • Extend visibility across the organisation • Add transparency to opportunities available • Empower individuals to own their career • Expand knowledge on individuals' skillsets
	<i>Adaptive learning strategy:</i> continuous learning and development	<ul style="list-style-type: none"> • Encourage learning-by-doing via projects • Foster up- and reskilling initiatives • Establish culture of continuous learning • Become more adaptable; less reliance on forecasting
	<i>Being sensitive to context:</i> boundary conditions	<ul style="list-style-type: none"> • Aligned frameworks and structures • Clarity around how skills are defined • Coexistence of talent management and marketplaces • Limitations of deconstructing a job

FIGURE 1**Skills-matching and Strategic Agility**