

# The Definitive Guide to Building a Dynamic Organization

## EXECUTIVE SUMMARY

**Just 7%** of companies are “dynamic organizations.” These companies not only foster employee mobility and career management but also operate differently—with innovation at the core.

Despite the clear upside to deploying strategies for becoming a dynamic organization, our study of 771 companies from 60+ countries and 97 management and HR practices demonstrates a lack of progress in this area. In fact, 93% of our surveyed companies do not demonstrate high maturity in this area.

### What Leaders Need to Know

We live in an era of accelerating change. Global issues like climate change, the rapid growth of AI, and the power and agency of workers have created a new set of business challenges. When we talk with C-level leaders about their priorities, the number-one issue they cite is “transformation.”

While this is not a new topic, a shift away from “episodic transformation” toward “continuous transformation” is new. In other words, companies can no longer look at change programs. Instead, they must think about becoming “change agile.” This is what motivated us to study this issue.

What we found was startling: Most companies are stuck in the industrial model of legacy job structures, rigid hierarchies, top-down management models, and relying on recruiting as the sole source of their growth. There is a better, more impactful way to work: dynamic organizations proactively anticipate changes in the business environment and continuously transform at speed and scale to drive exponential business, people, and innovation outcomes. People are strategically moved to new roles, improving productivity and competitiveness in tandem.

These companies are essentially architected for continuous change and have implemented the post-industrial talent model: shifting from jobs and roles to skills and work.

### Key Messages

*The Definitive Guide to Building a Dynamic Organization* reveals six key findings from our research. The following is a brief excerpt from the third finding of our full report.

## “Skills-based organization” has become a buzzword in recent years

Every company we work with is focused on skills: creating a skills taxonomy, looking for technology to inventory skills, and aiming to move towards skills across all talent processes, etc. More and more, companies realize that industrial models of jobs and competencies no longer suffice in today’s highly dynamic, ever-changing world of work. Companies struggle with all areas of the skills-based organization, from recruiting to careers and from pay to taxonomies.

Why is it so hard to become skills-based? And how can organizations accelerate? As with any big change, moving from jobs and roles to skills and work is a culture shift in the organization, and it takes time. Many companies start a skills taxonomy project, but these projects are often many years long and don’t get very far because once you’re finished, you don’t have much impact to show.

Instead, moving from jobs and roles to skills and work requires a deliberate journey. Here are three tips to help:

### 1. A Mindset Shift

The industrial model is built around predictable, rigid jobs and assumes they are stable and that we can always find employees to fill them. In today’s ever-changing world of work, where industries transform rapidly and talent and

skills are scarce, this model doesn’t work. Instead, a new model is needed that puts the work (and the person) at the center, identifies skills needed to do the work, and systemically works across all HR domains to match work with skills.

### 2. Beyond the Skills Taxonomy

This model doesn’t just involve creating a skills taxonomy. In addition, it means using skills insights to drive strategic actions and answer questions like: Where do we have skills shortages? How can we access the skills we need to start a new business venture? How can we leverage our current talent and their aspirations to reskill and upskill for the work we need and the careers they want? In an upcoming merger, how will our skills balance be impacted? What skills are our competitors focusing on, and how can we keep up with them? Which geography do we have a skills advantage, and where are we behind?

### 3. Systemic Skills Solutions

Making skills insights actionable requires skills to be systemically integrated across hiring, retention, learning and skilling, pay and rewards, leadership development, and work redesign. In a skills meritocracy, the best idea wins no matter where it comes from; people share knowledge and ideas freely; and the company constantly works on mitigating bias in talent processes—fully capitalizing on the power of skills.

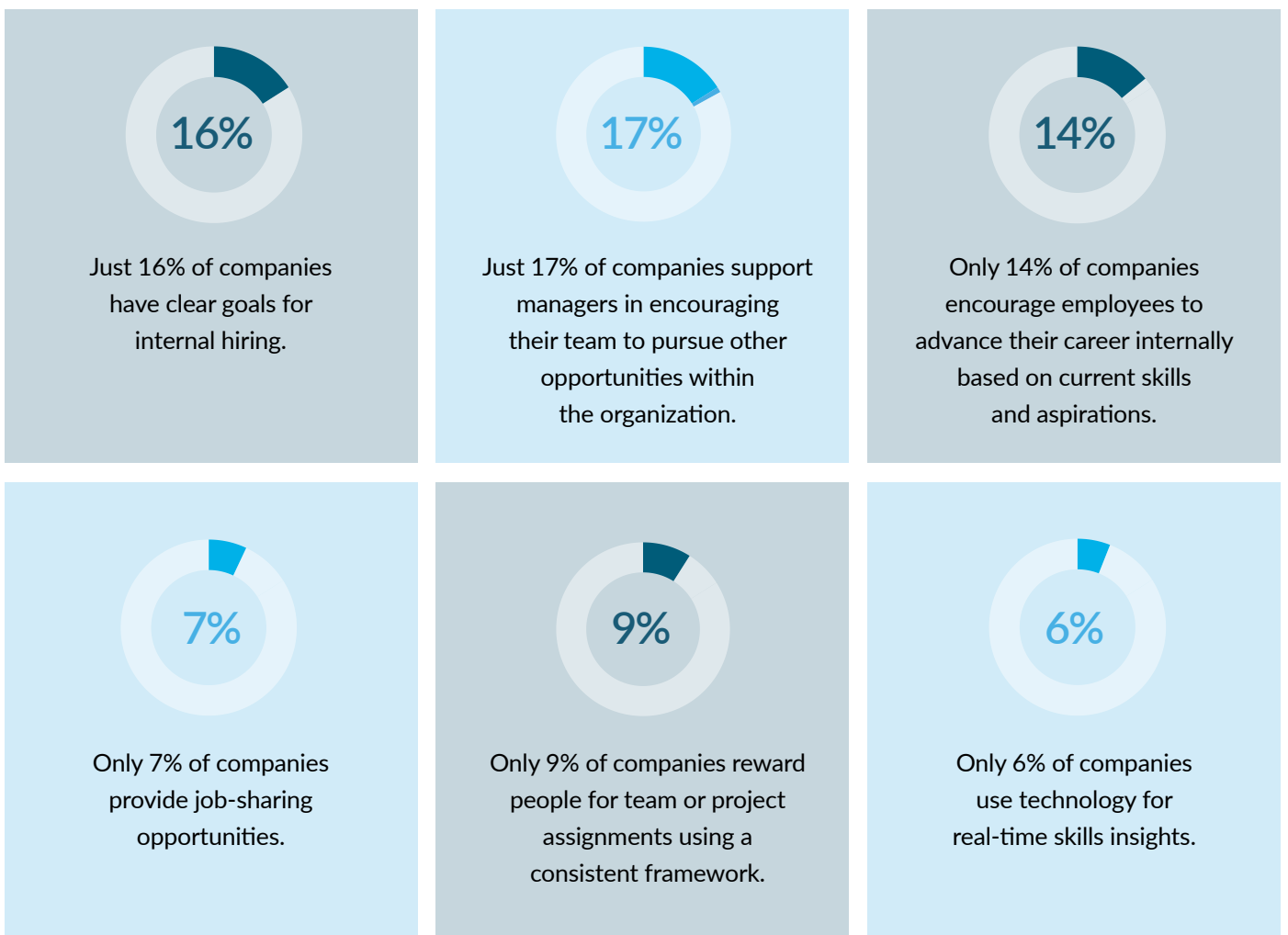
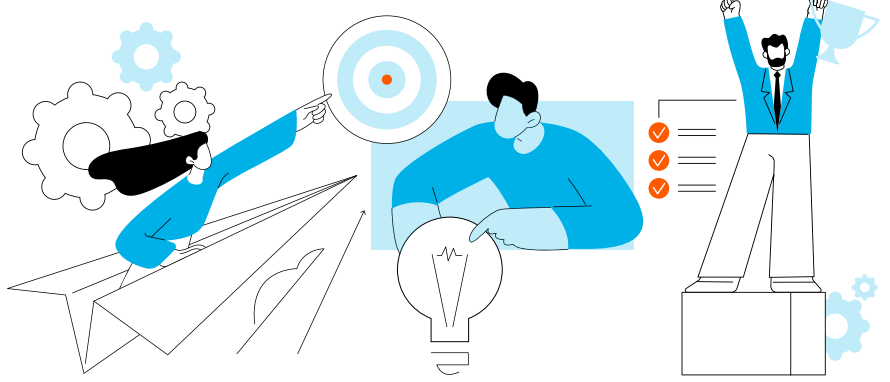
## Next Steps

*The Definitive Guide to Building a Dynamic Organization* provides actionable insights for leaders who want to help their companies become change-adaptable, continuously transforming, and dynamic. Additionally, the full report provides:

- The full discussion of why becoming a dynamic organization matters, especially now
- The 8 elements and 24 dimensions of the Dynamic Organization Framework
- The characteristics of each of the four levels of the Dynamic Organization Maturity Model, and how to advance to the next level
- A complete analysis of our 6 research findings
- The 15 essential practices that matter most, as well as their impact on outcomes
- Real-life examples of companies using these practices
- Our study methodology

# The Definitive Guide to Building a Dynamic Organization

**Only 7%** of companies are what we call “dynamic organizations.” These organizations continuously transform at speed and scale to drive exponential business, people, and innovation outcomes.



## DYNAMIC ORGANIZATIONS ARE:



To learn more about the journey to becoming a dynamic organization, see:

*The Definitive Guide to Building a Dynamic Organization.* Our full report includes the following:

- 8 elements and 24 dimensions of the Dynamic Organization Framework
- 15 essential practices that matter most, as well as their impact on outcomes
- 6 key research findings
- 4 levels of the Dynamic Organization Maturity Model
- Action steps on how to advance to greater levels of maturity
- Examples of excellence