

Designing a skills marketplace for the future of work

Tapping into a blockchain-enabled seamless ecosystem



Building blockchain enabled talent clouds of the future



While the pandemic taught us precious lessons on resilience, it also accelerated adoption of new ways of working, revolutionising future-of-work strategies. TCS believes that the new order of work will be propelled by effective formations of highly distributed, location-independent models. One key feature being the emergence of 'Talent Cloud' – a unique concept that pairs a business' talent need with individuals possessing the requisite skill profiles available anywhere in the world. TCS is creating an algorithm-based talent marketplace and an internal gig workers' community.

The existing talent management models were already strife with challenges, ranging from expanding demand-supply gap for emerging skills to crafting a human-centred approach towards talent development and democratisation of career paths. The very backbone of the recruitment sector is trust and establishing that trust is a resource-intensive endeavour, both in terms of time and money.

A Skills Marketplace Ecosystem Business Model (EBM) can bring greater agility and transparency in credential verifications, as well as the entire recruitment process, by unifying students, professionals, educational institutions, accreditation authorities, and others on a decentralized platform underpinned by blockchain and self-sovereign identity (SSI) technology.

Tata Consultancy Services is pleased to present this key thought leadership paper to you, exploring the challenges of the current talent management model and how a skills marketplace can bring together different participants to collectively achieve longer-term business value.

Suranjan Chatterjee

Global Head, Product Management Group,
Business and Technology Services
Tata Consultancy Services



Leveraging the Skills Marketplace to Design the Future of Work Strategies

Tapping into a Blockchain-enabled Seamless Ecosystem



This document has been licensed to TCS

Ronak Doshi, Partner
Suseel Menon, Senior Analyst
Uthra K, Senior Analyst

Copyright © 2021, Everest Global, Inc. All rights reserved.

www.everestgrp.com | EGR-2021-33-V-4598

Contents

Introduction	03
The future of work and the role of talent development	04
The talent management model of the future	07
Curating the ecosystem	09
Mitigating challenges	20
Conclusion: focus on the journey	20

Introduction

The talent acquisition and development model is a continuous optimization process supported by sophisticated data and technology systems. The talent management ecosystems currently used by HR executives are highly distributed and fragmented, with multiple datasets and siloed systems. In addition to posing challenges related to managing varied data sources and systems, the lack of trust in these data sources creates additional workflow and expenses for data verification. Our research provides a deeper understanding of the inefficiencies in the current talent acquisition and development life cycle and recommends an alternative model that could be built on top of this fragmented talent ecosystem to ensure trust.

A recent market study conducted by Everest Group lists the burgeoning demand-supply gap for emerging skills and the increasing time and cost involved in hiring as critical issues faced in enterprises' talent acquisition and retention strategies. While effective talent acquisition is essential, it is just one piece of the puzzle. Talent management efforts, including upskilling and reskilling of employees, are vital to remain competitive. Moreover, unequal demand for talent across different industries and restricted mobility due to the pandemic have further compounded HR managers' woes. Newer working models and the emergence of the gig economy have necessitated firms to rethink their talent acquisition and development models.

The skills marketplace is one such platform that helps enterprises overcome the above challenges and supports a network of stakeholders in the talent acquisition and development life cycle, thereby accelerating talent acquisition, upskilling and reskilling, onboarding, and talent retention initiatives. The marketplace can further leverage technologies such as blockchain and Artificial Intelligence (AI) to optimize processes and change the way enterprises hire and manage talent. The skills marketplace will play a key role as enterprises aim to achieve greater visibility into talent requirements, establish transparency in the acquisition model, ensure effective upskilling and reskilling, and reduce employee turnover.

Everest Group conducted research with 60 senior executives from enterprises, academia, and providers of online courses to explore the challenges in the current talent acquisition and management model and how a skills marketplace could help firms in pivoting toward a talent model of the future.

The future of work and the role of talent development

Everest Group take

The work-from-anywhere model has various ramifications for enterprises as they design their future-of-work strategies. These strategies are aimed at creating a distributed and remote workforce with a purpose-driven core to build and realize a shared vision. Technology, data, processes, real estate, security & compliance, and culture – all act as supporting pillars in this journey to create a successful future-of-work strategy. Having said that, however, human capital remains the key pillar enabling this movement, as it can make or break an organization's efforts to become a sustainable and thriving entity.

The perfect talent storm

While the talent management model was already in a state of flux, COVID-19 exacerbated the situation. In a recently conducted Everest Group survey, enterprises identified the following challenges in their recruitment journeys:



Burgeoning skills gap

As firms accelerate their digital transformation initiatives, the demand-supply gulf for next-generations skills such as AI, ML, blockchain, and cybersecurity keeps expanding. According to our survey, 75% of enterprises believe there will be a talent shortage for key roles in IT, analytics, and special skill areas and the current recession will not create a surplus of technology talent. On the one hand, the demand-supply gap for emerging skills makes it difficult to hire relevant talent with high project readiness, while, on the other hand, skills obsolescence forces enterprises to let go of employees with skills not in demand by the business and/or the market. Addressing the skills gap at the two ends of the continuum requires sophisticated data modeling for demand and supply themes, as well as proactively charting out the skills journey to close the skills gap at both the ends of the continuum.



One of the major challenges is finding employable skilled talent. With the constantly evolving technology landscape, the shelf life of most skills is short-lived. Moreover, poor employability due to the increasing disparity between classroom education and its application in corporate life makes it difficult for firms to recruit and retain the right talent.

– Krishnan CA, Business Unit Head at TCS iON



Challenges in talent development initiatives

Enterprises realize the need for a collaborative learning environment with a human-centered approach to Learning and Development (L&D) initiatives and are increasingly crafting talent strategies that help employees climb up the career ladder. Research indicates that soft skills training, including interpersonal skills, communication skills, and empathy, can increase RoI by a whopping 256%¹. However, time and investment remain a key barrier in achieving this RoI. In a rapidly changing environment, it is difficult for enterprises to identify the skills that will remain relevant and those that would need to be upgraded. While enterprises are partnering with Massive Open Online Course (MOOC) providers and academia to overcome challenges, the efforts are often sporadic.



Increasing cost and time of hiring

Almost 40% of executives believe that the time taken to hire and the costs incurred in hiring and training are the key challenges. While conference calls are increasingly replacing on-site interviews, enterprises see the need to trim costs further to gain competitive advantage. The time taken and the costs incurred in hiring are higher for roles requiring techno-functional skills, multiple technology skills, and complex problem-solving and critical thinking skills.



Often, we come across impressive candidates with incorrect information in their resumés. Half-truths and misleading information are a common sight. Our partnerships with verification and reference check agencies help us overcome this issue.

– Director HR, leading global FMCG firm



Difficulty in verifying candidate credentials

Employers realize that current talent acquisition models cannot ensure transparency and trust in the system. Incorrect data rather than falsified data is a major obstacle in enterprise recruitment processes. Over 70% of the executives interviewed complained about the difficulty in verifying candidate/applicant credentials. Over 50% of resumes from around the world include discrepancies such as inaccurate employment dates, incorrect employment history, and fabricated accomplishments. As the culture of remote hiring and remote working becomes all pervasive, it becomes even more important for enterprises to conduct background checks and authenticate candidate credentials.



High turnover rate

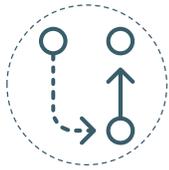
Almost 80% of enterprises believe that increasing employee attrition is a major cause of concern. While retaining top talent is a challenging task, the cost of acquiring and training employees is higher than retaining them; consequently, enterprises are increasing their focus on improving employee experience.

1 <https://virtualseech.com/blog/soft-skills-training>



To overcome the skills gap, we are looking to recruit more gig workers. We foresee gig becoming an important aspect of our future-of-work model. However, reliability is a key concern for us. We will need to have robust methods to validate such employees' credentials.

– Former global staffing head at a leading technology firm



Evolving working models

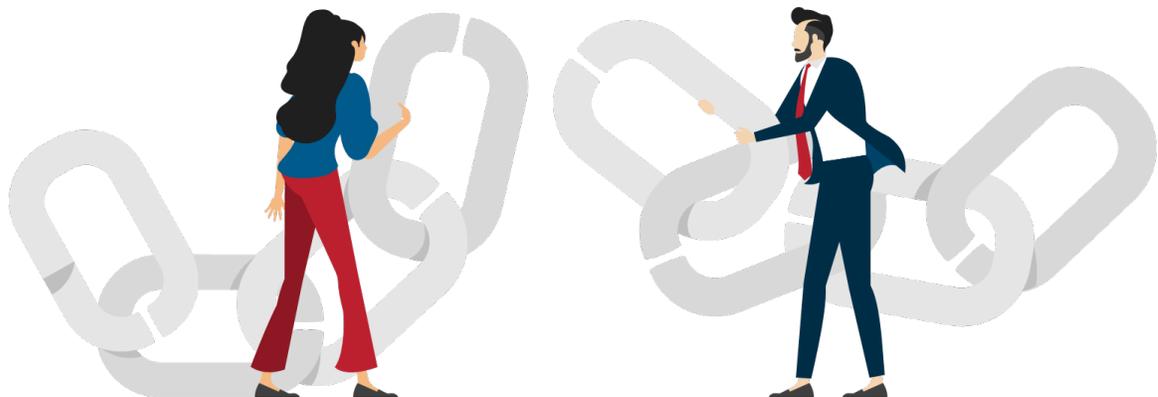
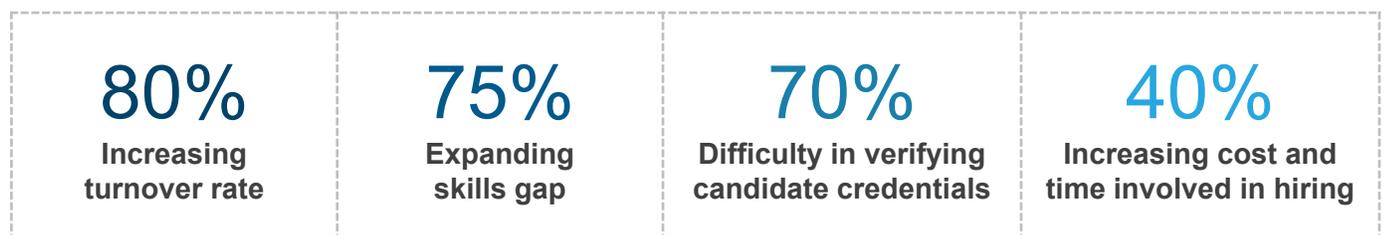
With an increasingly multi-generational workforce and higher flexibility in work demanded by millennials and Gen Z, gig workers have increased by over 15% in the US¹. To cater to the increasing demand for work anytime and from anywhere, firms are employing freelancers while trimming down long-term costs and gaining competitive advantage. However, the gig-economy model comes with its own set of challenges related to trust vis-à-vis these crowdsourcing platforms, as well as regulatory challenges such as the lack of defined labor laws for these new channels.

Exhibit 1 shows the key challenges enterprises face in their talent management processes.

EXHIBIT 1

Key challenges enterprises face in their talent management processes

Source: Everest Group (2021)



1 <https://www.smallbizgenius.net/by-the-numbers/gig-economy-statistics/#gref>

Envisioning the talent model of the future

While the war for talent intensifies, it is imperative for enterprises to overcome the above challenges and leverage their talent to gain competitive advantage over peers. To achieve this, HR leaders will be required to reimagine the current talent management model. A robust and efficient talent management model of the future should possess the following characteristics:

- Leverage technology to identify the right skills and predict the shift in demand for skills of the future
- Lay emphasis on developing and training for soft skills in the workplace
- Deploy a robust credential verification process that validates the candidate credentials up front
- Leverage HR analytics to drive workforce performance and accelerate decision-making
- Facilitate the recruitment of gig workers / freelancers and remote workers
- Customize and personalize the learning experience for new recruits
- Overcome challenges around data privacy and compliance
- Ensure seamless talent management and operations in a work-from-anywhere paradigm

As enterprises embark on their journeys to achieve the above objectives, they will need to take an integrated view toward talent management and collaborate with multiple participants in the ecosystem to realize this model.

The talent management model of the future

Everest Group take

The increasing need for effective talent management practices and the growing concern around talent scarcity necessitate the adoption of an integrated platform that can overcome the current challenges that firms face. The future of talent depends on the collaboration between multiple stakeholders and the effective leverage of technology to assist HR in talent management efforts.

An integrated approach to the future of talent via a skills marketplace

A flexible and trustworthy talent operating model will be vital to overcome the challenges of the current talent development model. Firms see the need to reskill and upskill their workforce and ensure employee productivity. Moreover, with the growing need for flexible working models and the rise of the gig economy, enterprise recruiters see the need for a more streamlined and automated candidate credentials authentication process.

A skills marketplace – a platform employing technologies such as Artificial Intelligence (AI), data and analytics, Application Programming Interfaces (APIs), and blockchain to provide a flexible mode of connecting enterprises with internal and external talent – can help enterprises achieve these objectives.

Advantages of a skills marketplace

The benefits of a skills marketplace are far-reaching, as the platform addresses challenges faced by enterprises, recruiters, and candidates alike.

- **Improved security and compliance**

The skills marketplace platform provides transparent and secure financial transactions for all the network participants involved in supporting recruiters on their talent acquisition and development journeys. Encrypted candidate data also ensures that information stored in the marketplace remains tamper-proof and mitigates the risk of fraud

- **Reduced costs and time involved in recruitment**

Leveraging blockchain technology, the skills marketplace platform reduces the costs and time involved in verifying candidate credentials, thereby freeing up time for hiring managers

- **Seamless candidate experience**

The marketplace assists students/candidates in creating profiles that contain their digitally verified credentials and certificates, making it easier to share these with various entities

- **Collaboration with the ecosystem**

The platform assists enterprises in tapping into a larger pool of available talent, thereby reducing concerns around skills shortage

- **Development of social capital**

An integrated talent management platform that includes multiple stakeholders helps in moving from human capital to social capital by improving cultural connections and engaging employees. The platform's open architecture enables candidates to review different stakeholders on the platform, thereby helping the latter build their brand value

- **Insights on skill development and management**

The marketplace provides digital profiles of each candidate, highlighting their skills and experiences. AI helps enterprises match the right set of candidate profiles for a job opening. The platform also helps HR managers prepare for the future by analyzing recruitment data in real-time, thereby determining their talent reskilling/ upskilling strategies and improving employee experience



Enterprises have been shifting their focus toward reskilling and upskilling following the pandemic. While many firms collaborate with us for this purpose, course completion rates are very low. Tailoring employee learning journeys through a data-based strategy will be essential to overcome this problem.

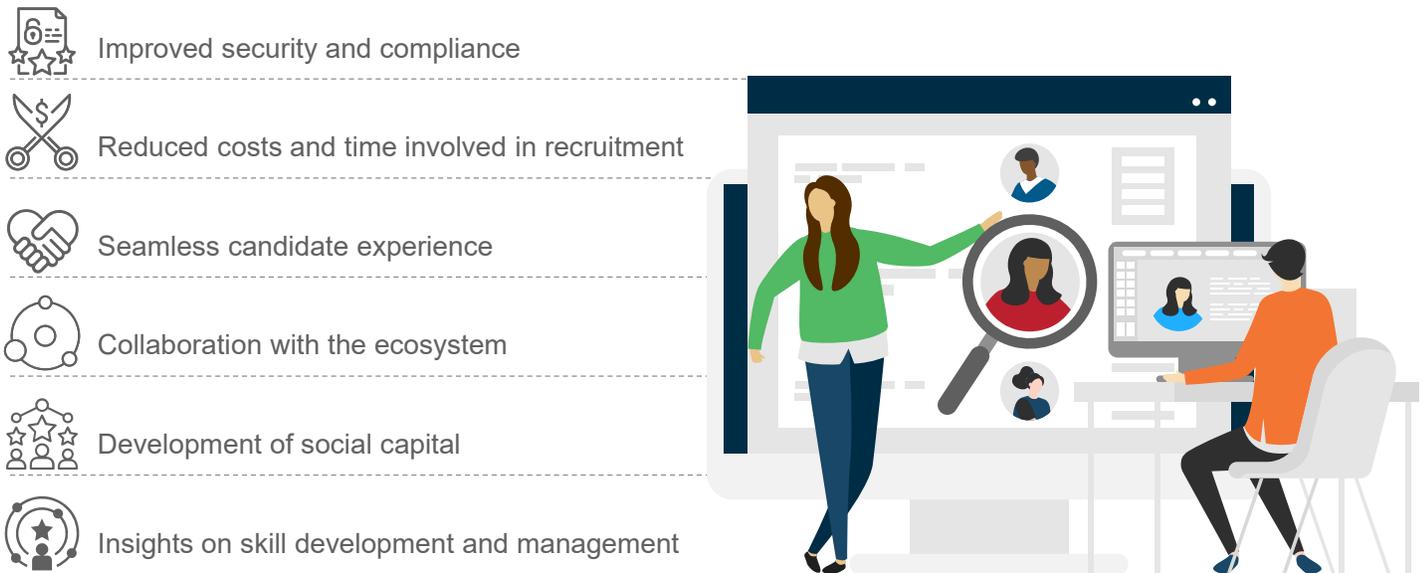
– Former sales head at a leading Edtech platform

Exhibit 2 encapsulates the key benefits of a skills marketplace.

EXHIBIT 2

Key advantages of a skills marketplace

Source: Everest Group (2021)



Curating the ecosystem

Everest Group take

A structured approach to curating, onboarding, and management of the skills marketplace ecosystem is essential for a successful collaboration approach. An integrated platform should be built after:

- Identifying the key network participants
- Curating a minimum viable ecosystem
- Defining a shared governance structure
- Developing an incentive model that is suitable for all stakeholders

Key network participants

The marketplace's success depends on the various participants in the recruitment journey. The primary network participants carry certification and attestation powers and can make changes to the core network information. Secondary participants utilize the information on the network through methods such as Zero Knowledge Proofs (ZKP) and have read-only access. Developing an ecosystem of stakeholders that play a key role in the verification and validation of candidate credentials is important.

Developing a Minimum Viable Ecosystem (MVE)

While developing an ecosystem of multiple stakeholders/participants is vital, a skills marketplace with a minimum viable network is essential to demonstrate proof of value. This requires classifying potential participants as core, contextual, and value-add. A minimum viable ecosystem will include only the network's core participants to ensure the marketplace's successful functioning.

The services offered by the core participants will be essential for demonstrating the proof of value. The contextual players will ensure consistency in the experience as the network scales in terms of transaction volume and number of customers, as well as take the customer beyond basic experiences.

The value-add participants will provide peripheral services on top of existing ecosystems, outside the ecosystem's core purpose. Value-add partners are critical in driving network effects to scale ecosystems and providing additional value for customers. The core, contextual, and value-add stakeholders will vary based on the use case, with core participants providing the key service and the key purpose of the ecosystem.

Let's look at the key participant segments and their roles. We also describe the ideal characteristics for an entity to be a member of the ecosystem.

- Our survey reveals that for 82% of the respondents most of the responsibility of verifying and validating candidate credentials lies with accreditation agencies (such as the CFA institute) as opposed to other ecosystem participants, which shows that accreditation agencies are an integral part of the ecosystem
- Almost 82% of the respondents also believe that professional network memberships (such as IEEE forums) are difficult to verify, and, thus, their presence in the ecosystem is vital for enterprise recruiters
- Our study indicates that enterprises are apprehensive of MOOC certifications, which are tedious to verify. Close to 72% of the recruiters believe that MOOCs need to be an essential element of a skills marketplace
- Almost 72% of enterprise recruiters also believe that the presence of academic institutions is necessary for the functioning of a skills marketplace to assist recruiters in assessing the veracity of applicants' achievements

While a minimum viable ecosystem will assist enterprises in achieving their goals of verifying and authenticating candidate credentials, additional stakeholders that drive network effects and increase participants' business value will be essential for scaling the industry network and performing tertiary actions.

Let's take a look at the key stakeholders that can help enterprises achieve the core objectives as well as derive value from the network.

Enterprise recruitment teams

Enterprise recruitment teams spend considerable time and money verifying candidates' academic credentials, certifications, and work experience. The process becomes more complicated for students/ candidates with degrees from international universities. Further, as most firms check the credentials at the end of the recruitment process, they end up spending more time and effort on the activity. The skills platform provides quick, accurate,

and complete access to a candidate's academic/work background. Enterprise recruiters can use the network's information without requiring rights to create or update the information of different candidates.

Academia

Storing students' paper records in dedicated offices is cumbersome for academic institutions. With the skills marketplace platform, academic institutions can provide verified, tamper-proof credentials to all students. The students/candidates can determine the entities to provide access to, making their journeys seamless. The platform also allows employers to view and verify education credentials without having to rely on the academic institution every time. Universities such as MIT have developed a digital diploma pilot program that provides their students with an encrypted course completion certificate.

Massive Open Online Course (MOOC) providers

The skills platform stores digital certificates provided by MOOC providers in an identity wallet, making it easier for candidates to directly share their credentials with prospective employers. The marketplace gives the individual control of their identity, thereby eliminating privacy concerns. A MOOC provider's presence in the network is vital as enterprises are increasingly leveraging MOOCs to conduct learning and development activities for new hires. MOOCs can help firms in tracking the learning journey of each employee by offering real-time data.

Talent assessment firms

Enterprises are increasingly collaborating with online talent assessment platforms to test candidates. These testing platforms help enterprises make data-driven decisions and increase the efficiency of the hiring process. As testing agencies / assessment firms become a part of the skills marketplace, enterprises could leverage them to offer tests to candidates based on detailed skill reports. The marketplace thus creates a single point that contains a digital copy of all the scores and certificates issued by assessment firms, again offering control to candidates. This data, being immutable and tamper-proof, facilitates verification for employers.

Online job portals

Hiring portals such as LinkedIn and Upwork play a key role in recruitment, with almost 70% of recruiters opting for such channels to scour for talent. With candidate endorsements seldom being accurate, firms find it cumbersome to verify the credentials posted on these portals. With the skills platform, online portals can place verified job experiences on the platform, making it easier for recruiters to hire candidates. This becomes even more important in the current gig-based work model, with candidates opting to work as freelancers.

Recruitment agencies

Roughly 40% of firms partner with recruitment agencies to gain access to a diverse set of candidates. Often, agencies collaborate with test assessment firms to screen employees for certain skills or even partner with academic institutions for placement options and credentials verification. Recruitment agencies will emerge as key participants in a skills marketplace platform, accelerating both recruiters' and candidates' talent journeys. These organizations can only view candidate credentials and not edit or create them.

Government agencies

While candidate credential verification is important, it is also vital for enterprises to verify the accreditation of the associated university. With an increase in online schooling, it will become more pertinent for enterprises to validate university accreditation in their talent acquisition journeys.

Technology service providers

The skills marketplace is a confluence of multiple technologies, and the platform’s success mandates the development of a cohesive technology ecosystem. Technology service providers will play a key role in the skills marketplace as they collaborate with various network participants to identify and implement requisite technologies for the platform’s success.

Exhibit 3 illustrates the key stakeholders in a skills marketplace.

EXHIBIT 3

Key stakeholders in a skills marketplace

Source: Everest Group (2021)

Primary network nodes:

Participants that can make changes to the core network information

Secondary network nodes:

Participants that utilize the information and have read-only access

	Academia	Include high school and universities that verify student/candidate academic records and achievements
	MOOC providers	Include players such as Coursera and Udemy that collaborate with enterprises for learning and development initiatives
	Talent assessment firms	Include testing agencies / assessment firms that partner with employers to administer online assessments among candidates
	Government agencies	Include accreditation bodies such as AICTE, UG, and ACCET that award letters/certificates to universities
	Technology service providers	Service providers that collaborate with various network participants to identify and implement the requisite technologies for the platform’s success
	Enterprise recruitment teams	Enterprise recruitment/reskilling teams and business heads aiming to optimize their recruitment processes and quickly fill vacancies
	Online job portals	Include both traditional job portals such as LinkedIn, as well as upcoming gig platforms such as Upwork
	Recruitment agencies	Employment agencies that liaison between employees and prospective employers

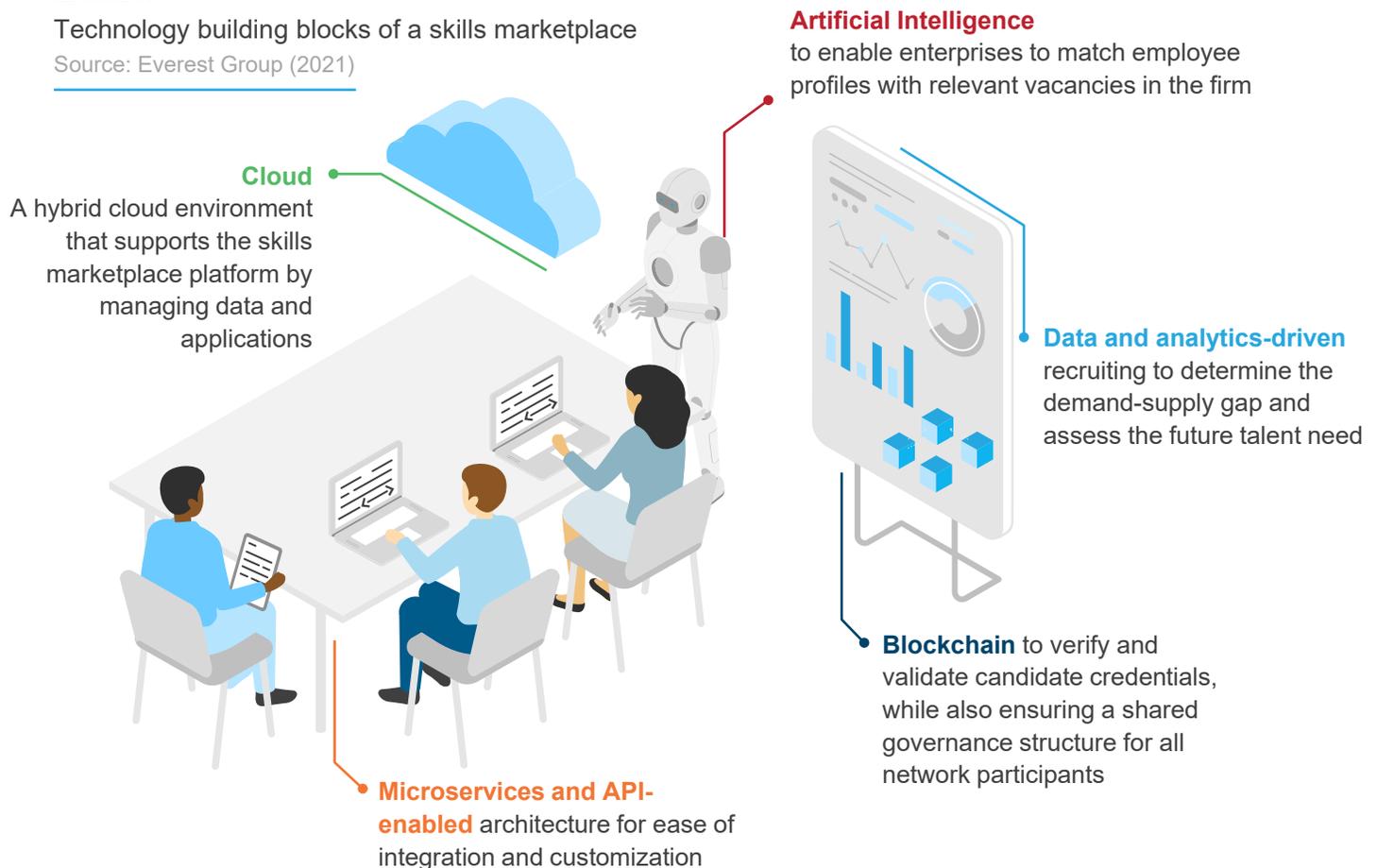
Technology components of the skills marketplace

The skills marketplace platform is an interoperable, secured architecture that is microservices-based and API-enabled for easy integration and customization. The platform's modular nature allows ease of adopting newer technologies as they are available and right-fit for the use case. Moreover, the platform allows customers to control data access and ensures regulatory compliance. Exhibit 4 showcases the technological building blocks of a skills marketplace.

EXHIBIT 4

Technology building blocks of a skills marketplace

Source: Everest Group (2021)



Artificial intelligence

The marketplace leverages AI to match candidates with relevant opportunities within the firm, based on their skills and experience. AI accelerates the process of finding the right match and improves the quality of matches for each opportunity posted, assisting enterprises and candidates alike. Enterprises can also leverage the technology to provide customized learning and development programs for new recruits.

Data and analytics

Data-driven recruiting helps enterprises improve the talent acquisition process's productivity and efficiency. The marketplace accepts data and certifications from multiple partners such as social media, job portals, HR management systems, academia, and assessment agencies through APIs. The platform then leverages analytics to provide a view of the prevalent gap between the demand and supply of next-generation skills, thereby assisting firms in crafting the right learning and development activities for each employee.

Microservices and API-enabled

An interoperable, microservices, and API-enabled platform assists in integration and customization. APIs facilitate collaboration among different stakeholders, thereby developing social capital among employees.

Cloud

A hybrid cloud environment that supports the skills marketplace platform ensures increased collaboration across the various network participants and provides higher flexibility and security.

Blockchain

The skills marketplace validates candidate/applicant credentials through features of Self-sovereign Identity (SSI) built on the foundation of blockchain technology. SSI offers an integrated system to verify a candidate’s accomplishments and share the contents with entities that have access rights to this content. SSI enables candidates to share their academic credentials and past work histories with employers and other entities on the platform, making it easier for enterprises to verify candidates’ credentials before recruiting them.

According to our survey, 72% of respondents showed interest in investing in blockchain technology to support their talent acquisition and development efforts. Blockchain solutions are necessary for the success of a skills marketplace, as the technology plays a pertinent role in transitioning from a minimum viable ecosystem to a network-of-networks concept, thereby creating a favorable environment for players to participate. In Exhibit 5, we showcase how the technology can act as the key pillar in realizing such an ecosystem.

EXHIBIT 5

The role of blockchain technology in curating the skills marketplace ecosystem

Source: Everest Group (2021)



Implications for the skills marketplace ecosystem

<p>Trust and security Blockchain drives trust and security in transactions between multiple parties through its consensus mechanisms backed by cryptographic algorithms</p> 	<ul style="list-style-type: none"> • A multi-party network needs inherent trust and security features • Candidates/employees will benefit from a permissioned ledger that lets them control access to their personal identity and information
<p>Transparency and auditability Blockchain offers transparency and auditability through its distributed ledger structure, providing users/regulators the complete audit trail</p> 	<ul style="list-style-type: none"> • The auditable nature of blockchain transactions enables network governance • All participants can have a view into the incentives structure of the ecosystem to ensure there is fair and transparent allocation of economic incentives



Implications for the skills marketplace ecosystem

Traceability and insights

Blockchain strengthens traceability by creating a shared view of the database and allowing to plug an analytics layer on the blockchain



- Traceability of candidates' academic and employment histories
- Business and HR executives can analyze candidates' performance and customize their learning and development initiatives

Transaction and automation

Blockchain streamlines processes by removing intermediaries and enforcing rules via smart contracts



- The complex governance structure will be automatically enforced via smart contracts to reduce administrative efforts and costs for the network
- Automation also allows for the finality of transactions, thereby providing a secure record of each completed activity

Defining a shared governance structure

While it is necessary to identify and onboard different network participants, it is also equally important to develop a shared governance structure to ensure the ecosystem's scalability and sustainability. An effective governance model that drives collaborative behavior from different stakeholders in the ecosystem is vital for the success of this marketplace. A shared governance built on the principles of trust, transparency, openness, and decision-making framework is hard to achieve when there is a multi-party network.

Managing an ecosystem of players in a skills marketplace is complex and requires a platform-led governance structure that can only be achieved with blockchain as the core technology. Blockchain technology helps design an ecosystem with distributed governance, thereby implementing smart contracts that eliminate fraud.

In a skills marketplace, the transition from a minimum viable ecosystem to a full-fledged network will require executive backing from the core participants. Every new core participant added to the network improves the business case for others to join in, while also increasing monetization avenues. The governance model must also ensure that any new participant entering the ecosystem is not at a disadvantage compared to existing participants.

Model incentives for network participants

In addition to a shared governance model, the skills marketplace also requires an attractive incentive model to promote it. It is essential to determine the right incentive mechanism that will not hinder the involvement of any new participant. As the number of network participants increases, the customer adoption for the marketplace also expands, followed by plateauing as customer adoption saturates. Also, the cost per transaction for basic services will also decline as adoption increases.

However, participants can earn higher premiums on value-added/differentiated services. A tiered payment model would be beneficial for stakeholders on the platform. This involves including a basic or freemium payment model, which provides limited usage to enterprises for validating candidate credentials and a premium model providing unlimited access to resources on the

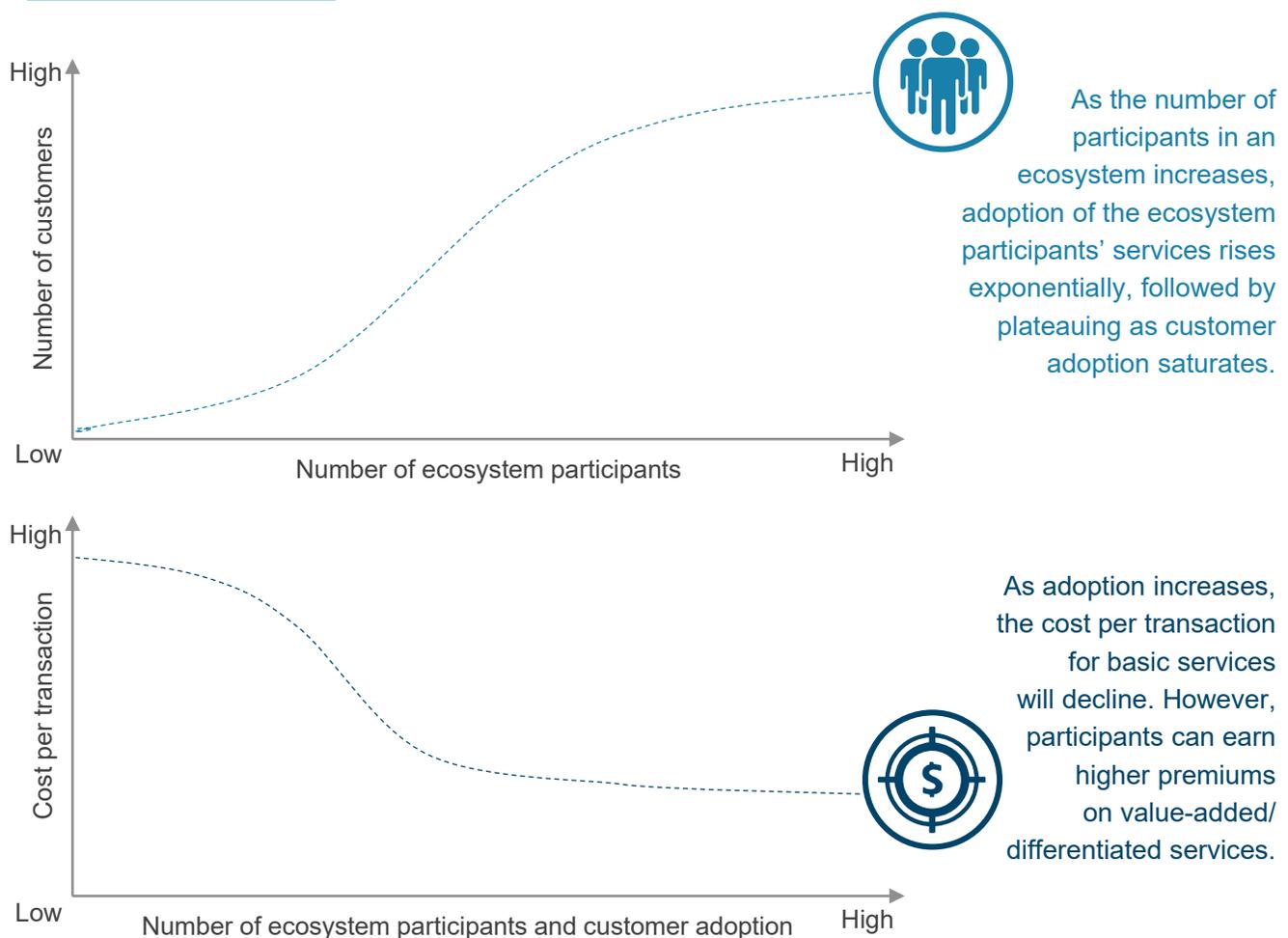
platform. Smart contracts on the blockchain will enable a fair and transparent incentive model that helps scale the ecosystem and incentivizes fair and equitable usage of the platform. The immutable nature of blockchain technology and the controlled transparency that a permissioned blockchain enables, will help the ecosystem to audit and manage itself.

Exhibit 6 illustrates the marketplace's network effect – increasing participation will ensure an increase in the number of customers that adopt the platform while driving down cost per transaction.

EXHIBIT 6

Network effect of ecosystem in driving down cost of transaction

Source: Everest Group (2021)



Governance and transparency are important elements of a skills marketplace due to its multi-stakeholder nature. For the platform to be successful, it is essential to develop trust early in the process.

– Krishnan CA, Business Unit Head at TCS iON

Designing experiences for network participants

The success of the MVE is centered on creating experiences for network participants that are easy, intuitive, secure, responsive, and ubiquitous. The MVE can start with a few experiences by studying the participants' journey within the marketplace and then add new journeys based on feedback from early MVE participants.

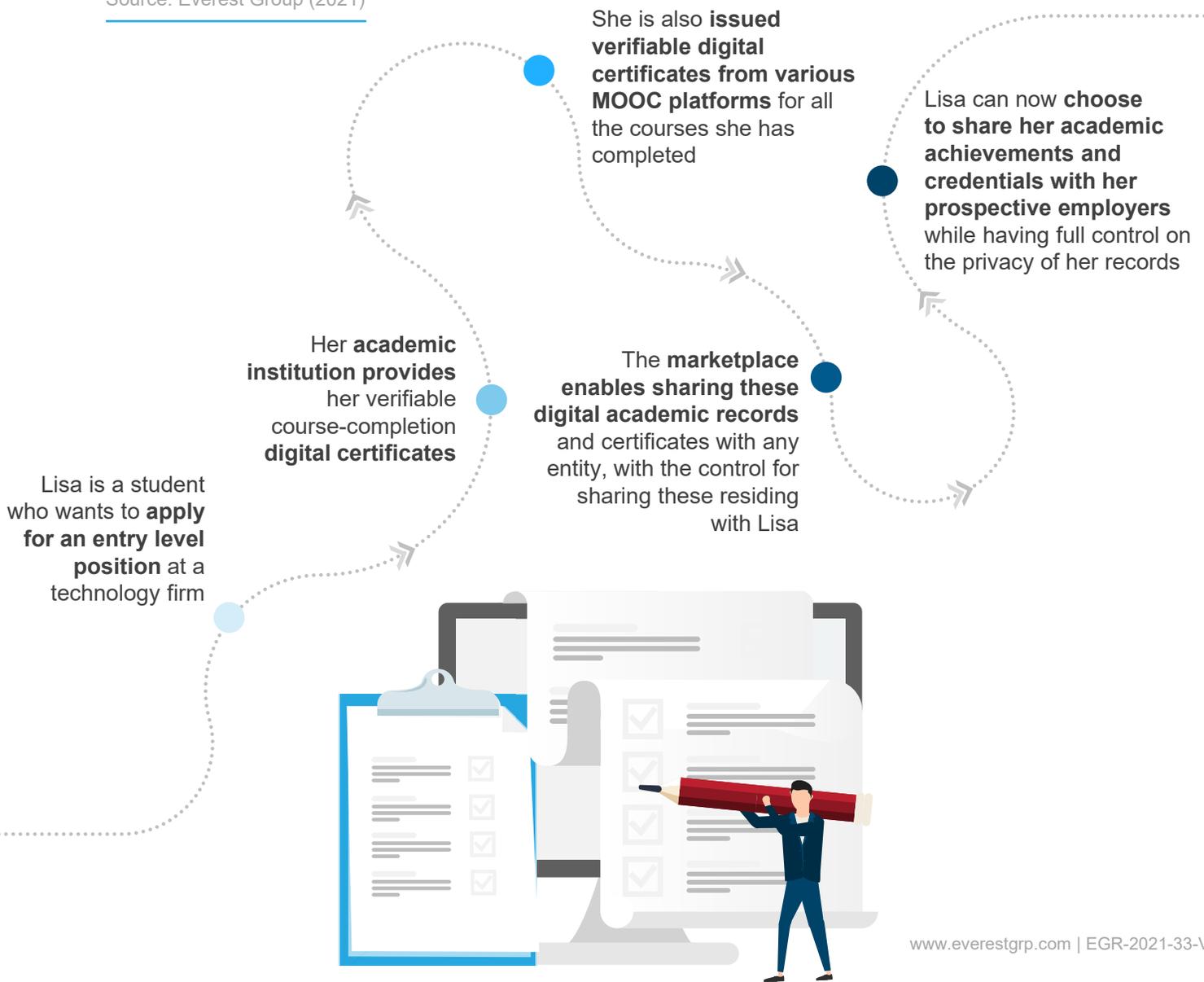
The first participant journey illustrated below is focused on creating trust for candidates to provide their academic records with ease and security to prospective employees. The platform assures candidates that their records are only accessed by employers based on their permission, as well as offers recruiters trust in the data due to the immutable nature of blockchain technology records and user-generated ratings of the academic and/or training institute on the platform.

Exhibit 7 illustrates how the skills marketplace platform simplifies the journey for candidates to submit their academic records and certificates to employers.

EXHIBIT 7

Simplification of the student journey with the skills marketplace

Source: Everest Group (2021)



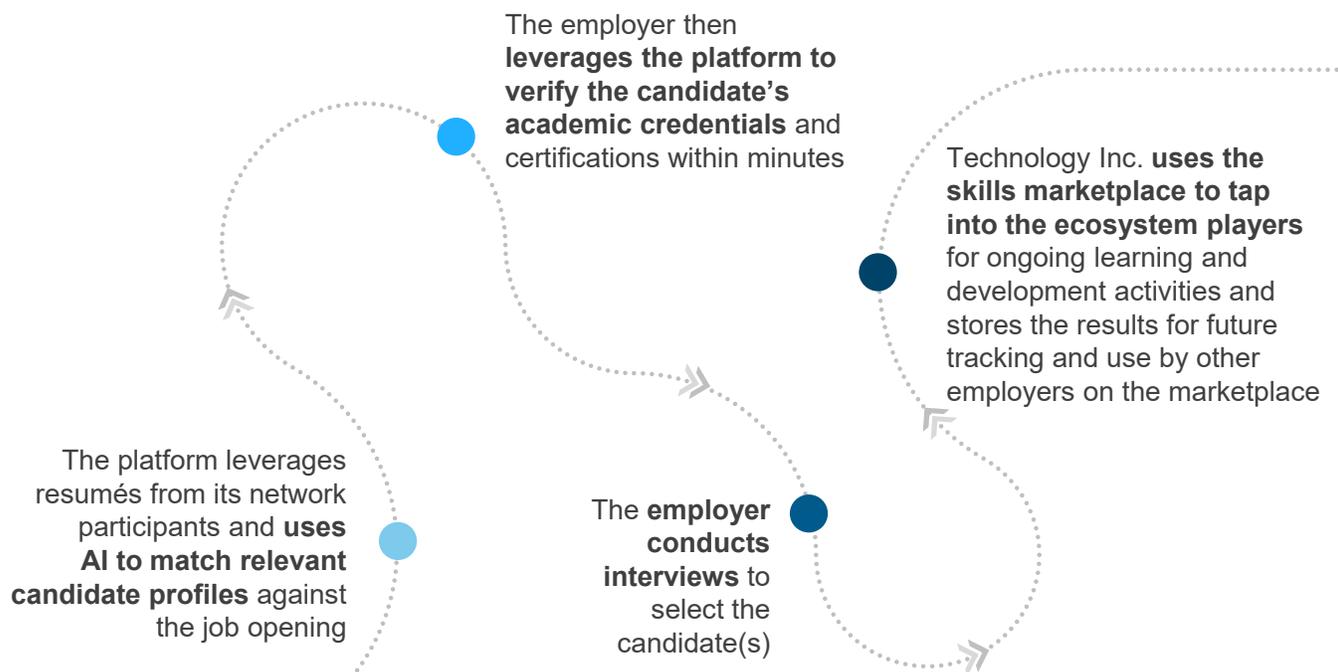
The second participant journey illustrates the ease of finding and interviewing candidates using the skills marketplace, thereby reducing the cost and time to hire. The marketplace could be used as a system of record for managing the results of ongoing learning and development activities.

Exhibit 8 highlights how the skills marketplace transforms the talent acquisition and development landscape.

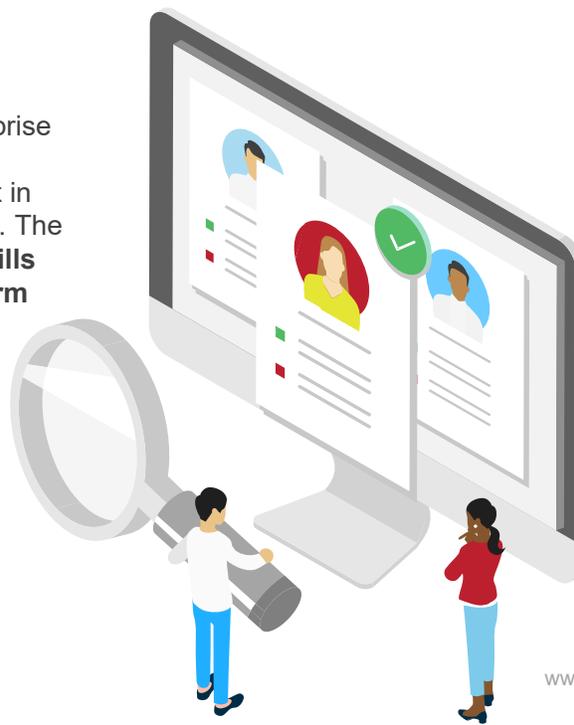
EXHIBIT 8

The talent acquisition and development roadmap leveraging a skills marketplace platform

Source: Everest Group (2021)



Technology Inc is a Global 2000 enterprise looking for suitable candidates proficient in cognitive technology. The **firm leverages a skills marketplace platform**



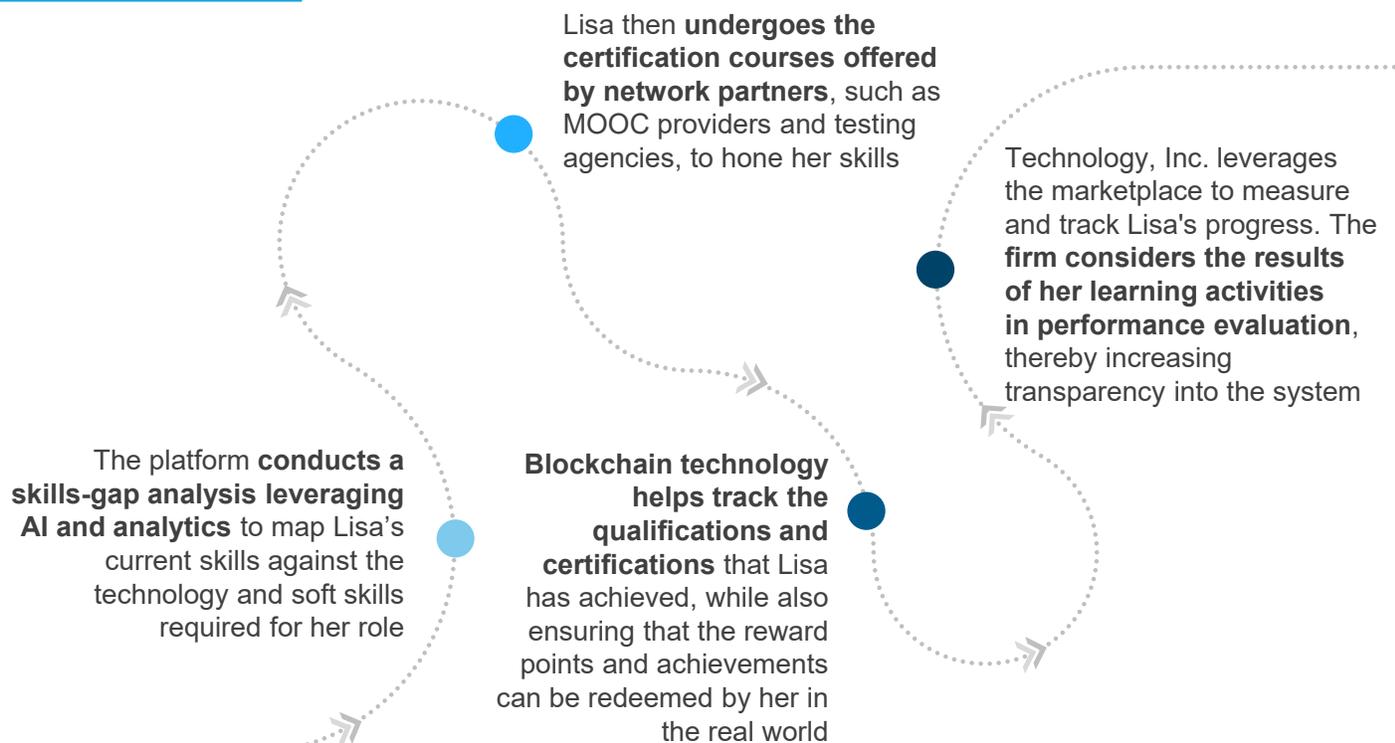
The third participant journey indicates how the marketplace simplifies learning and development activities for both the employee and the employer. The platform customizes the learning journey for each employee, while also helping employers track the certifications achieved by their employees. Tamper-proof and immutable digital records ensure the system's privacy and transparency.

Exhibit 9 showcases a talent upskilling and reskilling roadmap leveraging a skills marketplace.

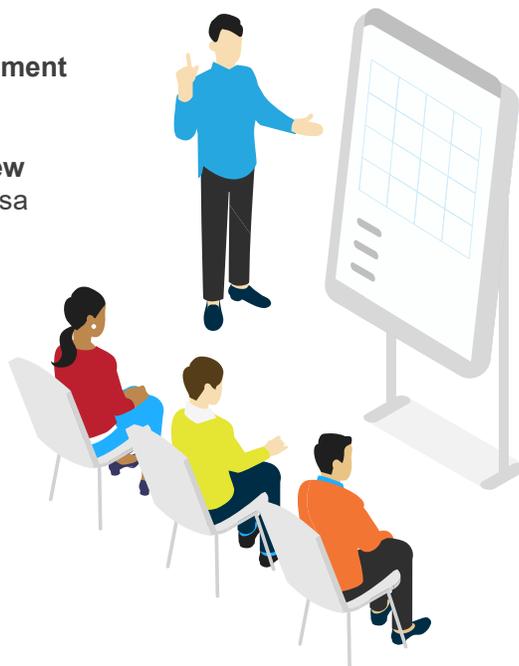
EXHIBIT 9

The talent upskilling and reskilling roadmap leveraging a skills marketplace platform

Source: Everest Group (2021)



Technology Inc. intends to **implement learning and development activities for new hires** such as Lisa



Mitigating challenges

According to our research, over 50% of the enterprises surveyed are willing to adopt a talent marketplace, and about 60% of them are likely to implement it for lateral hiring, especially for mid-level roles (3-10 years of experience). **While the skills marketplace will immensely benefit enterprises, firms must manage challenges that follow the adoption of this technology platform, including:**

- Close to 62% of the respondents believe that the greatest challenge to adopting a skills marketplace is the massive and continuous change management that firms will need to consider after implementation. They believe there is a need to put in place a strong change management policy that caters to talent recruitment, onboarding, performance management, and L&D activities, as platform adoption would be accompanied by several process-related changes
- Over 58% of the enterprise respondents consider that ensuring fairness and transparency without compromising privacy will be essential to overcome any apprehensions about the marketplace
- About 54% of the executives consider AI bias as a formidable challenge in their skills marketplace adoption journeys. Firms often face the music due to erroneous or biased AI systems that discriminate against certain groups. Explainable and ethical use of this technology will be essential to eliminate biases in hiring processes, thereby creating a transparent marketplace. Marketplace platforms that ensure both ante-hoc and post-hoc AI explainability will be essential to breaking the black box nature of the technology and eliminating bias
- Approximately 50% of the respondents also consider it necessary to integrate the platform with existing Human Capital Management (HCM) platforms for better insights into talent management

Conclusion: focus on the journey

The talent market is experiencing unprecedented changes, with the post-pandemic world necessitating an agile and distributed workforce. Enterprises thus realize the pressing urgency to restructure their talent management models. To be ready for the future of work, enterprises need an intelligent talent model that helps them ensure better talent management practices, develop social capital, and gain competitive advantage over peers.

A skills marketplace driven by blockchain and AI will help them achieve this objective, transform the siloed recruitment process, eliminate intermediaries, and ensure seamless customer journey. In fact, we expect the skills marketplace to eventually replace the traditional channels of talent acquisition and development.



Everest Group is a research firm focused on strategic IT, business services, engineering services, and sourcing. Our clients include leading global companies, service providers, and investors. Clients use our services to guide their journeys to achieve heightened operational and financial performance, accelerated value delivery, and high-impact business outcomes. Details and in-depth content are available at www.everestgrp.com.

This study was funded, in part, by TCS



For more information about Everest Group, please contact:

+1-214-451-3000

info@everestgrp.com



For more information about this topic please contact the author(s):

Ronak Doshi, Partner

ronak.doshi@everestgrp.com

Suseel Menon, Senior Analyst

suseel.menon@everestgrp.com

Uthra K, Senior Analyst

uthra.k@everestgrp.com

This document is for informational purposes only, and it is being provided "as is" and "as available" without any warranty of any kind, including any warranties of completeness, adequacy, or fitness for a particular purpose. Everest Group is not a legal or investment adviser; the contents of this document should not be construed as legal, tax, or investment advice. This document should not be used as a substitute for consultation with professional advisors, and Everest Group disclaims liability for any actions or decisions not to act that are taken as a result of any material in this publication.