

# THE TALENT GAP

IN THE



## ECOSYSTEM

*from*  
**GAP LETTER**

# Executive Summary

The unique Workday ecosystem is a case study in how decisions by a single successful company can create labor market dislocation. Because Workday nurtured its cloud platform for managing human resources to ensure customer success, it became the dominant platform over the past decade, allowing companies to continuously consume new and updated features without the need to “upgrade” or “implement” a new version. However, by maintaining rigid control over the platform, including training and certification, the supply of available Workday talent needs to catch up to demand.

## The results are predictable:



**Increased costs to implement and administer Workday**



**Poaching talent has become common**



**Challenging to launch a career in Workday**

To its credit, Workday recognizes that the gap has created an opportunity to expand access to training and certification, and to promote university partnerships and apprenticeships. In so doing, Workday has already made significant progress towards removing the talent barrier to growth and

helping tens of thousands of motivated individuals become successful Workday professionals.

## Talent gap for Workday Services Partners

Ratio of open positions posted in 2022 to population of certified Workday consultants

**1 : 1**

## Talent gap for Workday Advisory Partners and Customers (Technical)

Ratio of open positions posted in 2022 to population of Workday Pro certified consultants

**1.5 : 1**

## Talent gap for Workday Customers

Ratio of open positions posted in 2022 to new support users entering the Workday ecosystem last year

**2 : 1**

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*The supply of available Workday talent needs to catch up to demand.*

# Introduction

America's labor market is in a pickle.

**Unemployment of 3.4% is at a 50-year low** leaving only 5.8M unemployed workers. Meanwhile, there are **nearly 10M unfilled jobs**. So even if every unemployed American found a job, we'd still have over 4M open positions. This is driven partly by the fact that 3M people have left the workforce since the start of Covid in 2020; labor market participation has declined from 63.4% to 62.6%. But in addition to an absolute shortage of available workers, we're facing an unprecedented mismatch in the supply of and demand for talent.

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**3.4%** unemployment rate

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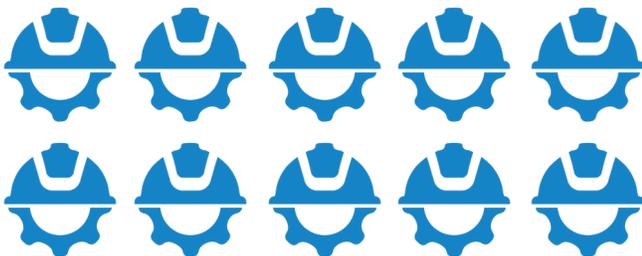
**63.4% → 62.6%**  
labor market participation decline

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**5.8M** unemployed workers

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**10M** unfilled jobs



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**3M**  people have left the workforce since the start of COVID in 2020

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*We're facing an unprecedented mismatch in the supply of and demand for talent.*



What's prompting the mismatch? Mostly digital transformation. Nearly all net new jobs **now involve tech**. A recent analysis by the National Skills Coalition and Federal Reserve Bank of Atlanta found that **92% of jobs require digital skills**. This doesn't mean that 92% of jobs involve coding — far from it. Instead, companies and organizations now use software for the vast majority of business processes and functions, and fluency with technology has become a prerequisite for being able to do these jobs. Tens of thousands of industry-specific and function-specific platforms loom large in the work lives of tens of millions of American workers. Of course, it could be worse; the jobs that don't involve software aren't as attractive. Overall, 70 percent or more of America's "best jobs" are **tech jobs** and average compensation for these roles may be **double the average U.S. private sector wage**.



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**92%**   
of jobs require digital skills

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One set of business processes that has been digitized involves customers. Every company serves customers, and customer relationship management software (CRM) has become the central nervous system of digitized businesses. The most important CRM platform is Salesforce, which has leveraged its market leadership to build a \$30B business that utilized CRM as a jumping off point and now spans enterprise applications for customer service, marketing, commerce, analytics, and even application development. Critical to Salesforce's growth was its decision to launch as a Cloud-based product, which has allowed it to win on product innovation (e.g., dashboards, data visualization, automation, collaboration) and service. As digital transformation has soared to the Cloud — freeing up technology professionals from routine IT maintenance and upgrades — most companies have landed on Salesforce. There are now thousands of applications and integrations in the Salesforce ecosystem, any one of which can yield material improvements in effectiveness or efficiency. One **analysis** predicted the broader Salesforce economy would reach \$1.6T by 2026.

As amazing as it may sound, one tech stack created by a single company represents one of the most significant and distinct talent gaps in the global economy. Salesforce job openings have grown as much as 50% annually for the past several

years and millions of new jobs are expected to be created over the next few years. Not surprisingly, there is a talent gap for Salesforce architects, developers, and admins. Salesforce's innovative Cloud-first model is one source of its talent gap, with platform updates every three months or so creating additional upskilling needs. A more important source of the talent gap is that our legacy educational infrastructure isn't helping; you can count the number of colleges and universities providing meaningful **last-mile training** on Salesforce and other prominent technology platforms on two hands.



*You can count the number of colleges and universities providing meaningful last-mile training on Salesforce and other prominent technology platforms on two hands.*

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salesforce

**\$30B** CRM 

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**50% ↑**   
in job openings

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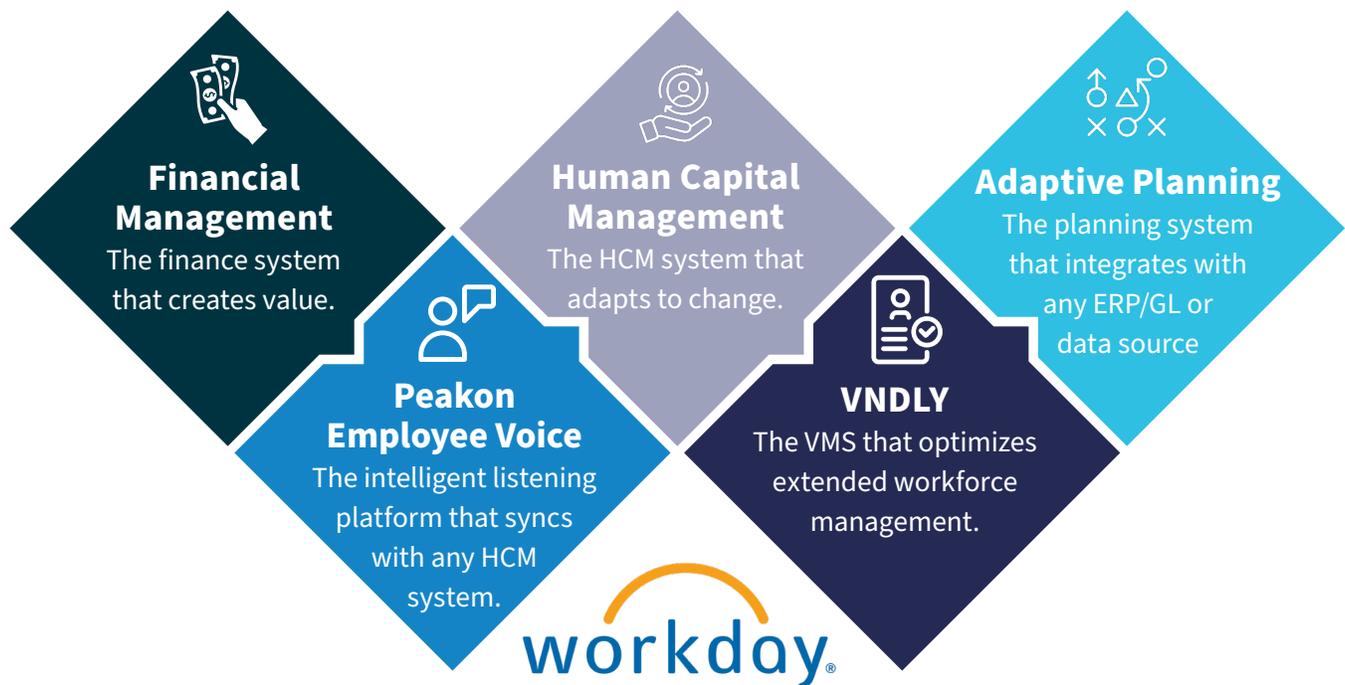
# Workday

If American companies are running on Salesforce, they are increasingly managing their employees on Workday. Founded in 2005, Workday has gradually become the dominant platform for human resources and people management, the largest cost area for most businesses, and is an emerging platform for financial management. Currently, about half of Fortune 500 companies use Workday as does a quarter of the Global 2000. Its **co-CEO** believes it will become “one of the largest and most profitable software companies in the world.”

Workday outshines the competition not only because it was born on the Cloud like Salesforce, but because it’s a unified system, combining

HR, compensation, recruitment, and finance. Everything an employee might need for onboarding, scheduling, time tracking, career progression, and learning and development can be easily found and navigated on Workday. For HR managers, Workday provides a unified view of the workforce with analytics to track performance and facilitate data-driven decision making.

As a newer dominant platform with a massive addressable market, Workday is an important case study in how the strategy and evolution of a single company can scramble the labor market. First, we will attempt to quantify the Workday talent gap, then explain it, and finally offer potential solutions.



# Quantifying the Workday Talent Gap

The Workday ecosystem demands three distinct types of talent.

## SERVICES PARTNERS

Workday Services Partners are global and regional systems integrators certified to deliver new Workday implementations. Because Workday is so comprehensive and complex, the amount of work (and number of people) required for a new implementation can be substantial. As a result, Services Partners include many of the world's largest tech services companies such as Accenture, Deloitte, IBM, and PwC. In total, Workday has 48 Services Partners.



### 1 Role

Ability to implement and/or manage a Workday module, for example:

- Human resource management including:
  - HCM – Human Capital Management
  - Benefits
  - Talent management
  - Recruitment
  - Payroll
  - Time tracking
- Finance including:
  - Procure to pay
  - Contracts to cash
  - Financial management

And common functions such as:

- Integrations
- Reporting
- Prism (data analytics)
- Security

### 2

### Required Training and Certification

Must obtain and maintain certification for each module. Certification is obtained by completing training and passing an examination. In addition, after passing the test, employees must recertify twice annually, after each new release.

### 3

### Available Professional Services Talent

We estimate that at the end of 2022, there were approximately 17,500 consultants certified to implement or manage one or more Workday modules, up 35% from approximately 13,000 at the end of 2021.



#### 4 Open Positions

According to Lightcast, over the course of 2022, 16,761 unique jobs for certified Workday consultants were posted by Workday Services Partners, up from 13,371 in 2021.

#### 5 Talent Gap

With as many open positions posted by Services Partners during 2022 as the entire population of certified Workday consultants, Services Partners are experiencing an acute talent gap. Based on total open positions posted over the last five years, the ratio of open positions to available talent is 3.5/1.

In addition to Services Partners, Workday has Application Managed Services (AMS) Partners. These companies provide a range of outsourced services to help manage a client's Workday deployment. The talent requirements for AMS partners are the same as for Services Partners and AMS Partners are also experiencing a talent gap. In 2019 Workday added a talent partnership to enable services partners to retain talent in the ecosystem and the success of this model is still being measured.



**3.5 : 1**

**ratio of open positions to available talent based on total open positions posted over the last five years**

## ADVISORY PARTNERS AND CUSTOMERS (TECHNICAL)

Workday Advisory Partners are smaller specialists with in-depth knowledge to advise customers on product selection and maximizing value from Workday instances. In total, Workday has 46 Advisory Partners.

While nearly all employees at every customer will need to learn how to become a Workday user, extensive training is not mandated, let alone certification. What Workday customers do need, however, are employees capable of configuring and administering the platform and supporting other users, which necessitates Workday skills.

### 1 Role

Workday experts capable of configuring and administering Workday modules or functions.

### 2 Required Training and Certification

No required training, but Workday offers the Workday Pro accreditation which is intended to reflect a high level of competence on the platform and to be equivalent to Services Partner certification. Maintaining Workday Pro accreditation requires recertifying twice annually with each new release.

### 3 Available Talent

We estimate 4,500 Workday Pro accreditations have been issued to date.

### 4 Open Positions

In 2022, Workday Advisory Partners and customers posted 7,000 open positions for Workday talent with Pro accreditations or the equivalent.



Advisory Partner



### 5 Gap

With 1.5x as many open positions in 2022 as granted Workday Pro accreditations, Advisory Partners and customers in need of technical assistance face long odds in recruiting skilled and capable talent.

1.5 : 1

ratio of open positions to available talent

## CUSTOMERS

Workday customers require HR and finance employees with Workday skills and experience. While these skills can be non-technical (i.e., not expected to configure the full platform), when Workday skills are mentioned in the position description, it's likely that the position is a Workday support role (i.e., heavy users of the platform with some responsibility for a component such as compensation administration or payroll).

### 1 Role

Wide range of HR and finance positions utilizing Workday.

### 2 Required Training and Certification

No required training; Workday Pro accreditation is available, but likely overkill for most of these roles. Depending on the role, customers may opt to certify employees on a specific module e.g., comp fundamentals.

### 3 Available Talent

Last year, 31,000 new Workday support users entered the ecosystem.

### 4 Open Positions

In 2022, 58,000 jobs were posted requiring Workday skills (not including Services Partners).

### 5 Gap

0.53 new users per open positions last year.



# 31,000

New Workday users in the ecosystem last year

# 58,000

jobs posted requiring Workday skills

# .53

new users per open position last year

# Mind the Gap

Why is Workday’s talent gap so big? Workday’s greatest strength has become a potential liability that needs to be addressed.

One reason Workday is so unified and popular with customers is that it was formed in reaction to the travails of PeopleSoft, the prior HR tech leader. (In fact, Workday was founded by former PeopleSoft executives.) Because PeopleSoft allowed customers to customize the software without controls, the platform would often break. In contrast, Workday delivers its solution as a service to ensure customers will be able to continuously consume new and updated features without the need to “upgrade” or “implement” a new version. This ensures customer success — a core value that is woven into the fabric of Workday’s culture and operations.

Workday’s controlled approach is also reflected in its approach to training and certification. PeopleSoft implementations were notoriously long, expensive, and error-plagued, driven by loose training and certification requirements in an open ecosystem. So — again prioritizing customer experience — Workday does the opposite:

**1** requiring training and certification for all partner employees and consultants touching the product — and for every specific product they touch (i.e., consultants at Services Partners are required to be trained and certified separately in each individual module that they work on); and

**2** carefully controlling training and certification.

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*Workday’s greatest strength has become a potential liability that needs to be addressed*

Workday controls training and certification by owning, operating, maintaining, and delivering all of it. Workday training is only delivered by Workday employees. Programs are available in-person in three U.S. locations (Pleasanton (CA), Atlanta, Chicago), as well as in several European countries. Synchronous online programs have been available for customers for the last 10 years and have become a popular option for Services Partners and customers. They are currently available in 21 time zones.



This is a good way to ensure training is updated with each new release. Moreover, up until this year, Workday only made training available to partners or customers. So there was no way for anyone not already hired by a partner or customer to access Workday training. (While a handful of third parties have set up so-called Workday training programs, this unofficial training is not recognized by Workday for partner services certification.)

And even those who are hired don't get trained and certified on everything because Workday courses and certifications aren't inexpensive. Courses consist of two to four training credits with each credit priced at \$800. As a result, Workday certifications cost \$4,000 to as much as \$13,000. For example, a standard Workday Pro HCM accreditation is eight credits or \$6,400.

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## \$4,000-\$13,000

cost of a Workday certification

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In any ecosystem, employers aren't keen on hiring candidates with neither skills nor experience. In Workday, given the constraints on training and certification, the result is an ecosystem where poaching talent from other companies has become the norm.



### WORKDAY PRO HCM CORE

8 credits total | Each track requires an exam fee of 1 training credit



# Closing the Gap

Recognizing that its success would require new and innovative approaches to producing new Workday talent, Workday is already making progress in the following areas:

## MAKING MORE TRAINING AVAILABLE TO MORE PARTNERS

Currently, Workday segments training so certain certifications are available to Services Partners only, while other certifications are available to Advisory Partners. This month, Workday is breaking down these walls and opening up certifications and accreditations to more partner types, starting by making Workday Pro accreditation available to Services Partners.

## EXPAND ACCESS TO TRAINING

On April 21, Workday made training available outside the ecosystem for the first time. **Workday Basics** is a short asynchronous online course (est. 5 hours) providing an introduction to the platform. Workday Beyond Basics provides the next step. Both courses yield a badge and, while Workday is currently promoting the courses for free, the plan is to charge \$99 for each in the future. Since launch, over 10,000 people have signed up.

This is a good start, but Workday will go further to close the talent gap. Salesforce has been working on the same problem for nearly a decade. Salesforce's Trailhead features hundreds of trails and modules covering all Salesforce products as well as topics such as development, administration, integration, marketing, and analytics. Best of all, Trailhead's content is available at no cost to users although certification may require a fee.

## UNIVERSITY PARTNERSHIPS

Workday is actively pursuing partnerships with universities with the goal of allowing university partners to incorporate Workday training into courses and programs of study. The goal is to produce thousands of new graduates with Workday skills and certifications.

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## PROMOTE APPRENTICESHIP

As 48% of Workday job postings in 2022 requested more than four years of experience, Workday not only has a skills gap, but also an experience gap. Few Workday partners or customers are excited to hire someone with a Workday Pro accreditation who has never actually been involved in configuring or administering the platform.

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**48%**  
of Workday job postings requested  
MORE THAN  
**4 years**   
of experience

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As a result, it's not enough to focus on training alone. This is why last year, with Workday's support, **Helios**, a Workday Advisory Partner, launched **Rise**, the first apprenticeship program in the Workday ecosystem.



Rise hires new and recent college graduates from university partners like University of Minnesota, University of Wisconsin-Milwaukee, Carleton College, and Arizona State University. Rather than insisting on HR experience, let alone prior exposure to Workday, Rise hires apprentices based on potential and diversity. After joining as full-time employees, Rise apprentices receive last-mile training on HR and Workday, then obtain Workday Pro certification. In addition, Rise apprentices learn the consulting skills they'll need to help Workday customers. Once apprentices have completed the program, they're deployed to clients either on projects, managed services, or via staff augmentation. After a year, customers can bring experienced Rise consultants in house at no additional cost.

While this first Workday apprenticeship program is growing quickly, given the scale of the Workday talent gap and the importance of bridging the experience gap, it shouldn't be the only one. Hopefully Workday will see fit to add other talent partners to its growing ecosystem.

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*Hopefully  
Workday will see  
fit to add other  
talent partners.*

# Conclusion

While Workday is a wonder, its controlled approach to both its product as well as training and certification created a talent gap. The good news is that Workday has already taken steps to close the gap and will undoubtedly do much more in the

coming months and years. Expanding access to training, university partnerships, and embracing apprenticeship programs like Rise will allow Workday to meet the demand for talent and unlock growth for the Company and its partners.



# GAP LETTER

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## **About Gap Letter**

The Gap Letter is a bi-weekly newsletter from Achieve Partners, which is investing in the future of learning and earning.

[www.gapletter.com](http://www.gapletter.com)