Talent Agility in an Emerging Workforce

By Morne Swart

Vice President, Global
Product Strategy
& Transformational Leader

sumtotal®

Executive Summary

As organizations across all industries encounter major changes in the face of digital transformation and technological advances, executives must stay ahead of the curve. The C-suite, now more than ever, understands that talent development is essential to ongoing success. This means the most progressive leaders are re-thinking their talent strategy by improving the employee experience, embracing diversity as more than a trend, broadening and deepening employee onboarding, and above all, placing learning at the heart of HR.

Strategic Challenges in the Global Marketplace

Today's workplace is in flux. Shaping the landscape are forces like generational shifts, the erosion of the "up or out" career ladder, ever-growing skills gaps (thanks to emerging technologies) and a new emphasis on employee experience. When planning a talent strategy, these forces leave everyone scrambling to keep up.

The modern workplace is one where human capital has joined financial capital in rank as a major focus for the C-suite. CEOs and CHROs have come to understand that the need for talent agility in this emerging workforce translates to people development being the number one priority. For organizations to remain sustainable today, people development must be foundational to business strategy and extend far beyond the traditional HR function.

For CEOs, this means a focus on cross-functional projects to build relationships and drive impact across the business. For CHROS, it means a focus on HR technology investments to advance talent development throughout the organization. The most progressive companies harness solutions to build an attractive employer brand and an irresistible workplace culture, which leads to improved employee engagement, talent acquisition, onboarding and retention.

AI, Automation and Agility and the Impact on Talent

In the last five years alone, we've seen AI and automation increase dramatically in the workplace. From chat bots in customer services roles to machine learning in manufacturing, the workplace is on the cusp of irrevocable change with these new technologies. Leading research from McKinsey now suggests that nearly 50% of workplace activities could be replaced by technologies already in the market.[1] As we increasingly incorporate these cutting-edge technologies at work, corporate leaders must be prepared to allocate the capacity freed up from employees' day-to-day duties.

A perfect storm of the growing economy, low employment and the pace of digital change generates the need for agility in the workplace where people, product initiatives, and human resource strategies are responsive to the needs of the industry and environment.

Facebook understood this early on. Only a few years back, CEO Mark Zuckerberg's company was already deeply ingrained as a staple in the public's day-to-day life. But the way people consumed technology was changing, and Zuckerberg understood that the desktop model upon which he built his organization was quickly becoming obsolete. Zuckerberg reprioritized the company's development efforts and all desktop initiatives were dropped. Each product team was equipped with a mobile developer, and come the end of 2016, over 80% of the social media titan's ad revenue was from mobile.[2]

With historic labor demand and a generational shift where more individuals are retiring than entering the workforce, leadership must prepare their people for a workplace where agility and the ability to learn new skills, work in different capacities and shift focus is the norm.

"Rather than an orderly, sequential progression from job to job, 21st-century careers can be viewed as a series of developmental experiences, each offering the opportunity to acquire new skills, perspectives, and judgment.[3]"

1 *"Harnessing Automation for a Future That Works."* James Manyika, Michael Chui, Medhi Miremadi, Jacques Bughin, Katy George, Paul Willmott and Marvin Dewhurst, McKinsey, January 2017.

2 *"An Agenda for the Talent-First CEO."* Dominic Barton, McKinsey Quarterly, Vol.2, McKinsey, 2018.

3 *"From Careers to Experiences: New Pathways."* Dimple Agarwal, Josh Bersin and Gaurav Lahiri, 2018 Global Human Capital Trends, Deloitte, March 28, 2018.

The notion of a "good place to work" is also different. Millennials bring a different set of expectations to the table; expectations that are not always satisfied or met by the salary and benefits packages of previous generations. Instead, the coming generations focus on work-life balance, a sense of purpose and an eagerness and opportunity to grow and develop through learning. Millennials are also redefining their careers as a set of experiences, rather than a hierarchical promotion. The question HR leaders must ask themselves is, "how can we shape the organizational structure and company culture to accommodate these predilections?"

Ignore Talent at Your Peril

In order for a business to remain sustainable, leaders must be on the forefront of change, able to execute quickly, and willing to invest in technologies, systems, ideas and innovate to keep pace with digital transformation. This means having a workforce that can tackle new challenges, master emerging skills and pivot comfortably—at a scale and quickly. It's become increasingly clear that failing to attract and retain talent in the emerging workforce spells disaster for organizations.

Visa President, Ryan McInerney, is taking steps to ensure his credit card company won't meet this fate. Facing enormous disruption in the credit card industry—think IoT and block chain technologies, Visa has turned to investments in learning and development programs to maintain a competitive advantage. Visa knows that to innovate at the velocity the digital payment industry demands, they need to attract top talent, continuously develop existing human capital and more closely understand L&Ds relationship to business outcomes. Cue the creation of Visa University. Bolstering their commitment to learning, a VP of Learning was hired who built out a team of education and content specialists for the project. What's resulted is a world-class training and development corporate university for employees which emphasizes "customer focus, consistent expression, and core values."[4] In doing so, they've positioned themselves as the employer of choice in the competitive

> " Today we have more than three billion pieces of plastic that represent our business. Pretty soon it will be tens of billions of connected payment devices."
>
> **President, Visa**

---

4 *"Visa Enables a Culture of Learning in the Face of Industry Disruption." Bersin by Deloitte, 2018.*

digital commerce market and ensured they can quickly develop the talent they need, at scale and through an existing learning infrastructure.

CHROs: Using Technology to Meet These Challenges

It's clear businesses appreciate the need to address building an agile workforce. But what are top leaders doing to solve these challenges? For starters, they understand harnessing learning technology is a powerful way to provide solutions. Leading HR departments are using online solutions to redefine the employee experience, and develop talent with the goal of attracting, measuring and retaining employees—all by placing learning at the heart of HR.

HR is Working to Redefine the Employee Experience

Culture

With adult Americans spending nearly a third of their life at work, it's no surprise the modern workforce has come to expect a harmonious company culture fit. No longer considered a passive element or byproduct of the organization, culture is now being embraced and recognized as something very much in a company's control—with HR at the helm. Employees want to feel like part of a community of people who share similar values and goals.

Identity is a powerful thing. A clear sense of company culture allows an organization to say "this is who we are," and to:

- Bolster loyalty and contentment amongst employees. As renowned author and marketer Simon Sinek once tweeted, "Customers will never love a company until the employees love it first."[5]

- Attract and retain talent. With more millennials in the workplace than ever, companies must focus on people development or risk losing the talent war.

---

5 "Customers Will Never Love a Company." Tweet, Simon Sintek, Twitter, April 16, 2014.
6 "Data Proves that Culture, Values, and Career are Biggest Drivers of Employment Brand." Josh Bersin, Josh Bessin,

> An employee's rating of "culture and values" is 4.9 times more predictive of a company recommendation than salary and benefits.[6]

- Create spokespeople for the company. We all know people who work for companies they love. And how do we know? Well, they tell us. They tell everyone. Companies who have a clear vision for their culture and who work strategically to foster it produce content employees who want to share their experience.

Upskilling

In the modern workplace, research links learning to engagement and engagement to retention; Deloitte found that engaged employees are 87% less likely to leave their organizations.[7] We've come to understand that employees want opportunities to grow and develop as individuals and professionals, and that they'll seek out employers who help them do so—leaving those who fail behind.

Employees crave clear, directive paths to growth in any organization. At the same time, companies need a continuous pool of talent from which to draw the rapidly emerging skillsets necessary to succeed in the modern economy. As the desires of the employee and needs of the organization converge, there is a clear requirement for a scalable, modern and personalized learning experience to deliver a win-win. This complex set of requirements, expectations and needs must be met quickly—seemingly impossible for the companies who lack the powerful unified solutions necessary to do so.

For those organizations with a clear learning-centric focus, the benefits reaped are exponential. Providing a way forward for employees increases engagement, thus positively affecting company culture and organizational ethos, and reduces turnover and the high cost associated with it.

For best-in-class organizations, as Bill Pester of Deloitte notes, training and upskilling your workforce is "not a nicety; it's almost a business imperative.[8]

---

7 *"Engaging The Workforce." Josh Bersin, Alyson Daichendt and Marc Kaplan, Bersin by Deloitte, 2016.*
8 *"The Critical Components to Reskill Your Workforce." Lauren Dixon, Talent Economy, May 8, 2017.*

Focusing on upskilling and reskilling enables organizations to address the skills shortage with precision. Given the pace of change with AI, automation and digital transformation, the shelf life of skills has shortened considerably, placing enormous pressure on organizations to bridge the widening skills gap. Businesses must be ready to invest in L&D with a proactive approach to address this growing problem. The right solutions offer a comprehensive view of the people and their skills which makeup the workforce, allowing businesses to close skills gaps, map succession plans and prepare for the coming waves of digital transformation.

Diversity & Inclusion

The changing demographics of the workplace reflect the changing demographics of our community, our industry and our world. While homogenous teams were once thought to be easier to manage, the similarities amongst members created biased patterns of problem solving and often led to group think. Today organizations are diversifying to advance company culture and spur innovation.

A recent study by Harvard Business Review set out to determine whether the claims of diversity as an innovation-driver were true. Surveying over 1,700 companies across the globe, HBR looked at the relation between differences in respect to sex, career path, gender, nationality and more to the percentage of revenue stemming from new products. What did they find? The more diverse companies were more innovative with newer product collections and higher revenues.[10]

Consumer-Grade Technology in the Workplace

Expectations of home and workplace are now one—consumer-grade technology which is attractive and easy to use. Employees expect the simplicity they've grown accustomed to from today's app-centric consumer solutions with an intuitive user experience. These platforms must be visually appealing and make workflows and collaboration easy to manage for individuals to drive engagement and utilization.

The cost of developing talent internally is 1/6 the cost it takes to hire externally for the same skills.[9]

" Most important, we found that the most-diverse enterprises were also the most innovative.[11]"

Harvard Business Review

9 "Keynote." Josh Bersin, Skillsoft Perspectives, 2018.
10 "How and Where Diversity Drives Financial Performance." Rocio Lorenzo and Martin Reeves, HBR, January 30, 2018
11 "How and Where Diversity Drives Financial Performance." Rocio Lorenzo and Martin Reeves, HBR, January 30, 2018.

For organizations, deploying a consumer-grade solution offers a key opportunity to better understand the workplace at a glance and increase productivity and collaboration. With sophisticated data collection, analytics and various business intelligence system integrations, these solutions allow HR leaders and L&D professionals to:

• Improve their grasp on employee engagement.

• More accurately perceive company culture.

• Register workforce skills and plan for talent advancements & succession.

• Understand the true impact of learning on business outcomes.

Approaches for a Multi-Generational Workforce

With more generations in the office than ever before, HR leaders have to be creative in their approaches to, well, just about everything. Making sure the needs of all are met is no easy feat, especially given the differences in communication preferences, learning styles, effective incentives and office expectations from generation to generation. Consider the Society for Human Resource Management's distillation on the differences in generations below:

SHRM identifies the 5 generations as such:

"The Silent Generation (ages 71-89):

• Make up less than 1 percent of the U.S. workforce.

• Place a strong emphasis on rules.

• Lead with a "command and control" style.

• Prefer face-to-face interaction, but communicate best formally (e.g., memos).

Baby Boomers (ages 54-70):

• Make up 27 percent of the U.S. workforce, but their numbers are declining.

• Are retiring at a rate of 10,000 per day, but many can't afford to retire and want to work part time.

• Are inclined to seek contract work after retirement.

• Tend to be workaholics who get personal fulfillment from work.

Generation X (ages 34-53):

• Make up 35 percent of the U.S. workforce.

• Prefer independence and fewer rules.

• Seek to balance work and family.

• Want to communicate directly with leaders.

Generation Y, aka Millennials (ages 21-33):

• Make up 37 percent of the U.S. workforce

• Take an entrepreneurial approach to work.

• Prefer direct communication and feedback.

• Want a social, friendly work environment.

.Generation Z (under 20):

• Make up 1-2 percent of the U.S. workforce.

• Are likely to be using Twitter to find jobs.

• Communicate best by smartphone/email.

• Have large networks but not much job experience. Employers can leverage these networks."[12]

---

12 *"5 Generations + 7 Values = Endless Opportunities." Society for Human Resource Management, June 20, 2017.*

To address these generational shifts, the most progressive organizations already have initiatives in place to build an agile workforce adept at meeting the evolving needs of the workplace.

Workplace Wellness

As part of a total compensation and benefits package, workplace wellness offerings have become the standard across entire industries and a staple of the most sought-after employers aiming to increase workplace productivity and remain a top choice for talent. Taking the form of exercise programs, gym membership reimbursements, mental health initiatives and stress reduction campaigns, workplace wellness programs are here to stay. Today's wellness programs take on myriad shapes, ranging from physical to mental to financial health and wellbeing, and they've never been needed more.

With communications made near instantaneous and ever-accessible, the modern worker is rarely off the clock. Workplace wellness programs are a necessary measure to stave off the stress that accompanies an increasingly overwhelmed workforce.[13]

And organizations are reaping impressive returns on their wellness investments: pharmaceutical and consumer goods conglomerate Johnson & Johnson estimates they saved over $250 million on healthcare costs in first decade of the 2000s, with a return of $2.71 for every dollar thanks to their wellness programs.[14]

For employees, the chance to align their livelihood with an opportunity to increase overall health does not go unnoticed. Employees are energized by the perception that their employer is investing in them, be it learning and development or health and wellbeing.

13 "Well-being: A Strategy and a Responsibility." Dimple Agarwal, Josh Bersin, and Gaurav Lahiri, Bersin by Deloitte, March 28, 2018.
14 "What's the Hard Return on Employee Wellness Programs?" Leonard L. Berry, Ann M. Mirabito, and William B. Baun, Harvard Business Review, December 2010.

Developing Talent with Goal of Attracting, Measuring and Retaining

The war for talent is expected to continue increasing: More than 90% of CHROs believe it will only get more competitive over the next twelve months.[15] A strategic, systematic and scalable approach to retention is necessary for continued success. For HR leaders, this means a new take on performance reviews and development, an emphasis on digital skills and an understanding of the new era of careers.

Performance Reviews & Development

Annual performance reviews have become an anachronism of corporate America. Preferring a proactive approach to the reactive nature of annual reviews, forward-looking companies are increasing visibility and the frequency of interactions between manager and employees with more consistent reviews, development and goal setting. A healthy employee-manager relationship necessitates regular conversations and timely feedback for greatest effect.

Onboarding

Onboarding is a powerful retention and productivity tool and needs to be a priority instead of an afterthought in recruiting efforts. Onboarding, done well, speeds the time to productivity for a new hire. At the same time, it introduces new employees to the culture, values and expectations of the organization. Getting these pieces right is critical to ensuring a new hire will still be on the team 12 months from now.

In addition, onboarding sets the stage for learning and career growth for each employee. It must be personalized to provide employees with the mentoring, goal setting and resources they need to be successful in their day-to-day role. Many organizations are taking onboarding even further and

15 *"3 Priorities for CEO-CHRO Collaboration in The Digital Age." Sharon George, Gartner, April 2, 2018.*

delivering continuous support as employees move from one role to the next. Onboarding to a new position should not be offered only to new hires but should be part of the total employee lifecycle development efforts.

Digital Skills

Digital skills continue to be the highest in demand for roles across the organization, posing several challenges for sourcing new talent and investing to upskill the current workforce.

Consider:

1. As technology evolves at an exponential pace, the skills needed to support the new technology, infrastructure and functionality will not yet be available in the workforce.

2. The proportion of technology-related jobs across all industries will increase. For example, where an oil and gas company previously counted only 10% of their employees as 'tech,' this number will increase with the popularization of IoT and other technologies.

Employers will have to proactively fill their talent pools with individuals poised to take on new roles. Data scientists, IoT engineers, blockchain engineers, machine learning scientists and more will be highly sought after. Businesses won't have the luxury of hiring these individuals—something we're already beginning to see in the talent landscape. Rather, organizations will need systems in place to identify potential talent matches and develop that talent with proven learning journeys and curricula, all while retaining these same employees in their existing roles.

In 2002, only 40% of occupations required "medium digital skills." Today, 48% require "high digital skills."[16]

---

16 *"Digitalization and the American Workforce." Mark Muro, Sifan Liu, Jacob Whiton, and Siddharth Kulkarni, Brookings Institution, November 2017.*

Digital Literacy

Although it's clear the demand for digital skills associated with enterprise technology roles continues to climb, a commensurate level of digital literacy must be met by all employees.

The nursing profession is a good example; a career in nursing previously required very little technological know-how but is quickly becoming a full-time digital gig. Nurses now rely on electronic health records to update patient information in real-time and must understand how to program and operate sophisticated medication dispensers and technology.

In every industry, workflow processes, business systems and communication have all moved into the digital sphere, and the rate of digitalization has catalyzed the need for employees who are comfortable doing everything online. Organizations need people with digital literacy, agile mindsets and adaptable natures to surmount the constant flux of today and tomorrow.

Share of jobs in low, medium, and high digital skill occupations[17]

2002 and 2016

Low digital skills 56%
Medium digital skills 40%
High digital skills 5%

48%
30%
23%

2002   2016

---
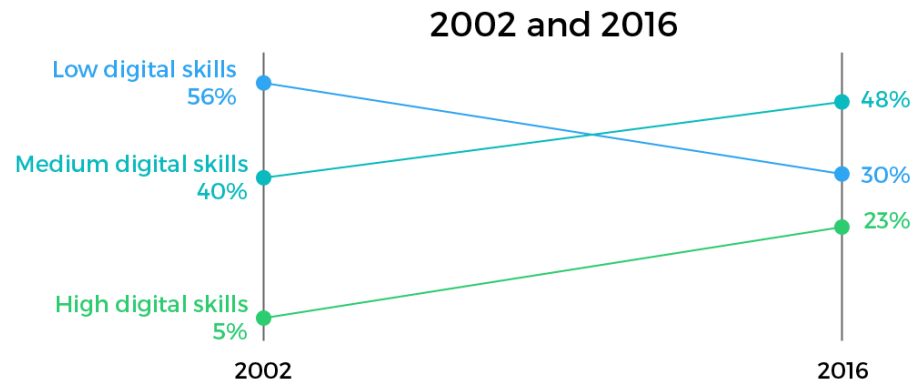
17 *"Digitalization and the American Workforce." Mark Muro, Sifan Liu, Jacob Whiton, and Siddharth Kulkarni, Brookings Institution, November 2017.*

The Redefinition of "Career"

The workplace had shifted with the turbulent forces of globalization and digitalization, but for the employee, too, the definition of "career" has changed. If the hire-to-retire mentality was that of Baby Boomers', and climbing the corporate ladder was top of mind for Gen X, Millennials are viewing careers as a set of developmental experiences that lead to growth, not always promotion.

Also shaping the changing landscape is the fact that careers today can last fifty or sixty years, with ease. Our longer lifespans and careers are galvanizing individuals to seek out new opportunities and make radical professional shifts—and employees are looking to their organizations to provide paths forward, a task that rests squarely on HR leaders' shoulders.

Learning at the Heart of HR and HR Technology

As HR moves toward the workforce productivity driver, central to Deloitte's 2019 HR Predictions, learning will come to be viewed as synonymous with the function. Accompanying this shift will be the need for prioritized investments in HR technology—and the need to measure the return of learning.

The best HCM and LMS integrate with business intelligence systems and enable organizations to measure the impact of learning on production, marketing, sales, engineering and more. L&D leaders need clear definable metrics that can connect the impact of learning to product development, marketing campaigns, sales goals and overall productivity.

Microlearning will continue to gain relevance and visibility as the main driver of L&D's content strategy. In the era of "now, now, now," learners crave digestible content that can be consumed in between meetings, on the go, and in the here and now of their flow state at work. The content must be curated, specific and relevant, and accessible in a beautiful and intuitive interface of the modern learning experience platform.

With the right technology solutions, HR can work to effectively embed learning in company culture. This allows employees to build the skills the need for today and helps organizations measurably prepare for the challenges of tomorrow.

Conclusion

Facing continual seismic shifts in the workplace, executives are placing a refreshed emphasis on people development as key to long-term success. Above all, today's workforce must be adaptable: ready to pivot, adjust course, take on new roles or challenges at a moment's notice. The need for talent agility in the emerging workplace is increasingly clear.

HR continues to become a strategic driver of business sustainability, and the most progressive HR leaders are taking note of global talent trends and translating them to action at their organizations. A compelling employee experience has emerged as powerful incentive for new hires and a powerful draw for retention of existing employees. Talent development is being reframed as an ongoing process by organizations to reaffirm their commitment to individuals by offering professional development and learning investments. The value of diversity and inclusion extends beyond the sense of "fairness" they once signified and reflect our varied communities and selves—while driving significant innovation across organizations.

Leading organizations are succeeding in these in initiatives by pairing learning and development programs with comprehensive human capital management to understand the true impact of learning on talent. SumTotal is partnering with progressive organizations at the cutting edge of these changes. By understanding global trends in talent development and identifying best practices for the future, SumTotal can help drive the success of talent agility in your organization.

Let SumTotal help your organization develop talent agility today. Visit SumTotal's website to understand how our flexible HCM solution can support your business needs.

To learn how SumTotal can help you attract, retain, develop and engage today's multi-generational workforce, request a demo today.

LEARN MORE

Meet The Author

Morné has been responsible for leading innovation and driving product strategy with more than 20 years of experience in enterprise-wide HR Technology products and services. He has a passion for building higher-performing organizations by optimizing the effectiveness of people, process, information, and technology.

Morné Swart

Vice President,
Global Product Strategy
& Transformational Leader

in

linkedin.com/in/morne-swart-28219989/

About SumTotal

SumTotal Systems is the most comprehensive and flexible HCM solution. Built on decades of providing solutions to the most complex and regulated industries including airlines, financial services and pharmaceuticals. SumTotal incorporates four key components – Talent Acquisition, Learning, Talent Management and Workforce Management. SumTotal continuously invests in platform innovation to address the challenges of attracting, retaining, developing and engaging today's multi-generational workforce. SumTotal is the first LMS to fully enable content aggregation across xAPI, CMI5, third party and custom content as well as unified access to the largest corporate learning library from Skillsoft. SumTotal integrates Skillsoft's market-leading, immersive, multi-modal content, enabling organizations to develop talent through a knowledge-centric employee lifecycle. **www.sumtotalsystems.com**

U.S. and Canada: +1 866 933 1416 | U.K. and Europe: +44 (0) 1276 401950 | Asia Pacific: +91 (0) 40 6695 0000

linkedin.com/company/sumtotal-systems   facebook.com/sumtotal.systems   twitter.com/sumtotalsystems