



CAPITAL H Building a resilient workforce

Building a resilient workforce through opportunity

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David Kiron, editorial director, MIT Sloan Management Review

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David Mallon: Hello, and welcome back to the Capital H podcast, where we explore the topics and trends that focus on putting humans at the center of work. I'm your host, David Mallon, chief analyst with Deloitte Human Capital's Research and Sensing team. Continuing with this season's focus on resilience, we're going to dive into the world of what many call talent or workforce marketplaces, and what we've been calling opportunity marketplaces. These are the systems, the digital platforms, the virtual spaces where organizations provide workers opportunities to grow and to stretch to advance their careers and build their skillsets.

A recent survey conducted by Deloitte and MIT Sloan Management Review found 74% of respondents believe skill development is essential to their organization's strategies. But only 34% are happy with their workforce's current capabilities. So what can organizations do to address this disparity? With an effective opportunity marketplace, companies can offer their employees well-defined options for professional development, mentorship, to engage in projects, networking, and perhaps even internal mobility. The result is an environment that better aligns individual aspirations to an organization's priorities.

In today's episode, we'll hear from Andy Saidy. He was formerly the VP of Talent Digitization at Schneider Electric. He's going to talk about his experiences at Schneider, specifically how they've tapped into these internal marketplaces and the benefits and challenges that come with it. This segment was recorded earlier this fall as part of a virtual panel, and the other voices you'll hear are from Robin Jones, our Deloitte workforce transformation leader; Stacy Janiak, our Deloitte chief growth officer; and David Kiron, who is the editorial director at the MIT Sloan Management Review. Enjoy!

Robin Jones: We, Deloitte, have a 10-year history with MIT on research going back primarily in the topic of digital transformation and, as you said, we really started to make a pivot last year around future of work and specifically the workforce of the future. And what drove that shift was we've been seeing over a number of years in our research a real significant shift in the dynamic between organizations and what they want from their workforce and what the workforce wants from the organizations where they join. And that dynamic is seen in the form of social organizations, it's seen in the form of activism, it was being seen in the form of people wanting more and more flexibility and companies struggling with providing flexibility and meeting the needs and wants of the workforce. And as we saw this emerge, of course, pre-COVID, fast forward to now and look where we are, and I know we'll talk a lot about that today, but that trend really put our finger on something and said what is it that the companies and the organizations are doing to really support and meet those needs of the workforce, and what does that workforce really want. And at the end of the day when we got into the research and really dug into it, the real thing that we saw was both want opportunity. The workforce itself wants opportunity, they want to join an organization, they are making a commitment, and they are joining it because they are being told there is promise of that opportunity, and the company itself wants to provide that to them so that they will create more value for the business itself. And so we really landed on this notion of opportunity as the common core that both want and ultimately should be the organizing principle for workforce management.

Stacy Janiak: Thank you, Robin. I want to get to David to dig a little bit more into the survey itself. I know that we surveyed nearly 4,000 professionals, it was a global survey. What can you tell us about some of the key highlights there, David?

David Kiron: I will share a couple of them. The key thing to recognize with the survey findings is that there is a clear recognition that companies recognize that there is a skills gap, that with all the transformation that's happening that they really need to develop new skills. So, three-quarters of the respondents of the survey said that they believe that developing worker skills and capabilities is important, but there was a big disconnect because only 34% of the respondents said that they were happy with their organization's investment in them. So, this was a really significant disconnect that's at the core of how organizations are operating. And this isn't just like regular mid-level management or below, senior executives are feeling dissatisfied with their own organization's investment in their professional growth. Only 39% of executives were happy with their organization's investment. We asked, "Would you be ready to leave your organization if you were offered a severance package or a buyout of some kind?" And close to half of everybody said they were ready to leave. So that was a clear signal that workers don't feel really engaged today. So that's kind of the bad news; the good news is that, as Robin was just describing, opportunity represents a significant option for companies to engage their people, build morale, create more productive employees, and it also represents and this is something that—I have a philosophy background so it was heartening to me—is that opportunity is a way of treating workers less as a cost to manage and more as an asset to cultivate. So, that is an overview of some key findings.

Stacy: Yeah exactly. I want to get into just even defining the notion of opportunity marketplace. So, for our participants, how do you define that, and then we'll dig into how does it actually operate.

David K.: At their core, opportunity marketplaces are platforms that enable workers to pursue strategically valuable opportunities while building their own

skills and capabilities that they themselves value. So, like any marketplace, there is a supply aspect where the organization typically is the one that provides the supplies opportunity. There is a demand element where the workers represent the demand side. And there is a platform that enables exchange of opportunity, particularly labor, to happen within the marketplaces. And these marketplaces, they can be internal to the organization or they can cross organizational boundaries. Most of the opportunity marketplaces are internal, but they can go external, and those have been valuable during this pandemic. One more thing I will add is that, these marketplaces are much more than a job board; the kinds of opportunities that are put in these marketplaces range across—there's projects, there's learning, there's development, there's training, there's mentorship opportunities, there's reverse-mentoring opportunities.

Stacy: I want to get Andrew into this conversation because I know that he spurred the direction of this research quite dramatically when we learned about what he was doing at Schneider. So, can you talk to us, Andrew, a bit about Schneider's open talent market?

Andrew Saidy: Of course. The open talent market is an opportunity marketplace. It is exactly what David shared. It is an AI-powered marketplace where employees can find full-time roles, projects, mentoring, learning, and there are buyers and sellers of these opportunities that you can find on the marketplace. About two years ago, we discovered that about 47%, so almost one in two of those leaving Schneider were telling us that they were leaving not because they don't like their boss or not because they don't like our culture or their pay, but because they can't find an opportunity. And this is where we got the idea to create an opportunity marketplace that is AI-powered. Also, we have a very big number of millennials, and we know that millennials,

they do not want to stay in a role or an opportunity for very long, they want to find new opportunities, they want something that is smooth and easy, and this is where the open talent market was born from, to make sure that employees can really own their careers, so that managers are not the ones steering employee careers, but employees are the owners, in a nutshell.

Stacy: Is there anything that you wish you would have known before you went down this path, now that you are into it?

Andrew: Absolutely. I think one thing that we did not expect was a bit of resistance from middle managers. We changed their world upside down; they no longer owned their direct reports because they can find their next opportunity without the support of their manager. So, there was resistance from middle managers. We wish we knew that early on, but then we pivoted. I think also something that we did not expect is some misconceptions about the opportunity marketplace and about the gig economy. We heard a lot of, "Well, if I'm participating to some of these gigs then my boss is going to think that I don't have a lot on my plate or I don't have enough on my plate." And that is, of course, something that we did not expect, this kind of misconception. So we have to also address that as well.

Stacy: Just to be clear, so people could actually access full-time opportunities but also projects and part-time opportunities as well to further their development.

Andrew: Networking and mentoring and learning opportunities all powered through AI.

Stacy: Robin, how do you see organizations approach adoption? Andrew just talked about some of the challenges. What have you seen as successful efforts to garner adoption?

Robin: First of all, you have to have leadership sponsorship, you have to have an intentional and deliberate focus on changing

your culture to be more open versus closed. You also need to start looking at, you need to step away and realize—I spend a lot of time with clients and they are really worried about assessing people's skills and just basically understanding what knowledge, what skills, and what experiences do we have in our organization. And that's a real mystery, and it's very hard to pinpoint, but when you actually create this marketplace, it draws people in to promote the best versions of their self and actually put forward capabilities, experiences, skills, prior experiences that no one really knew about and really promote it. It's almost like when you put yourself on LinkedIn, how you discover so much more about people that you have been working with, and I have formed a habit of that in my organization and with my clients to just look up and get to know their background. It's amazing when you move to this open economy that you are actually putting forth capabilities and with that sparks leaders to say, "Hey, we have this entire population of people [AI finds them] that have an experience that will take us into a space where we want to go, where we want to grow into a new market". I think just freeing up the mindset that we are going to make this more open. I think the other resistance part I would flag is for years and years and years in workforce management, the goal has been to standardize, streamline, and make commonality in your performance management, your promotion timelines, your job architecture, just very fixed. And what that does is it is actually creating less opportunity and more of a fixed state. And so this notion of looking at every aspect of workforce management and say, "How do we move from a fixed state and one that actually lends ourselves to find individuality and support individual growth and development and movement?" You really have to start pinpointing going through every workforce management program and policy that you have in place and challenge those orthodoxies.

Stacy: One of the things that I read in the research that I loved was the ability to have individuals identify what they're interested in, particularly from that project standpoint. If you think about an organization, there is always something going on beyond your day to day, and how do we as leaders really know who would be optimal for some of those opportunities? We can't possibly know every single individual that is out there. So, I think that's fantastic. But what would you say, Robin, to organizational leaders where this sounds like it could be very chaotic. When you're used to the fixed structure that you were just describing, what would you say to them about the benefits?

Robin: Well, if you think about how we have evolved just performance management as a process. Companies are starting to move in a pretty big way beyond the once-a-year evaluation. We have moved to more regular coaching, more regular feedback, more in the flow of the work itself evaluations and goal setting and the like. We are going to get there with compensation. We are still on that kind of once-a-year type of thing. Companies are somewhat fearful of that, but we have to move to a more dynamic way of evaluating, providing feedback, and frankly it gets down to deploying your people into moves that you are making in the business or areas of need. So, I think stepping away from that fixed mindset that everything has to happen on year-long scales and start to really move to a more dynamic way of addressing people's needs. Because it comes back to that tension that is brewing and has been for a while where people are just not wired to wait another year and then be told no for whatever it is—a learning opportunity, a leadership program, a compensation change, a reward of some type. We really have to go to what we have all been saying is be more agile and be more adaptable to the needs of both your business and the workforce itself.

Stacy: David, maybe you could build on that. I know that the report addressed the benefits both from the workforce perspective, but also from the organization perspective. What would you call out there as well?

David K.: Yeah, so I will add two things to what Robin just said. One is, Andrew mentioned resistance among managers. There can be resistance among workers themselves. They have grown accustomed to coming to work and doing the work and then going home and forgetting about their jobs. And when you introduce the notion of opportunities and growth and development and do new things and create new meaning at work and somebody is like, "Leave me alone. I have got my head down here, I am just going to do my everyday thing." And we did a workshop where we invited Andrew and there were a bunch of other people, and there was one senior HR manager at a big law firm and she said, "I have senior executive assistants who, you talk about opportunity, but they don't want to be messed with. They just want to do their job and go home." Creating an environment where they feel agency to become the authors of their own careers and do more than just producing what is expected of them is a significant transition. Well-designed opportunity markets, well-managed opportunity markets can really help with that. That leads me to the second point, which is if you go back to the disconnect that we talked about initially, where there is this dissatisfaction, this perception that the organization isn't investing enough in you, the employee. Opportunity markets flip the question around—it's not "how do you invest better in people," it's "how do you invest better in enabling people to invest in themselves," and that's a significant switch. In Andrew's organization, he said this many times, and perhaps it is better if I say it now because he's said it so many times, but they encourage people to see themselves as owning their careers. The organization kind of benefits when employees see themselves this way, as do the employees, and that's the

powerful feature and benefit of opportunity markets. It's not like this is a completely new idea. There is an entire literature in the fields of psychology and economics that speak to the value and importance of agency. It is not just like you provide people with more money or more stuff. In the psychology literature, for example, there is a theory called self-determination theory, there are three basic psychological needs. One is, everybody has a basic need to feel competent at what they are doing. Another is to feel related to others. And the third one is, people need to feel that they are the authors of their own action, they are not being controlled by other people or other aspects of the situation. They need to feel self-determined. That is the third basic psychological need within this framework. I could go on about this, but basically the point is that opportunity marketplaces, the value of them to people is grounded in serious, significant psychological theory.

Stacy: Thank you for that, David. I want to build on maybe what Andrew has experienced with your workforce. Having been at this for several years, I'm sure you had some that did not want to come along both from the workforce side and from the management side. So where are you today and how do you think that, if you did a survey at Schneider today, what would the feedback be?

Andrew: We have. I think to go back to what David and Robin were saying, the value of an opportunity marketplace is unquestionable. Of course, there are some people who do not—to go back to the example that David shared—who do not necessarily want to be in this opportunity marketplace, and it is all voluntary, so they don't have to be if they don't want to. But overall, I think the benefits and the value are very considerable. For us as an organization, I mean we got a lot of value from the open talent market. One, I would say analytics because we have a better understanding of what skills are present in the organization, what skills are

missing, what do people want to upskill and reskill so that we can build programs around that. We have also looked at data analytics around succession planning, who can do what, as you were saying, it is easy to know a small organization of 500 people maybe, but Schneider is about 140,000, so it is much harder to do some of these upskilling and some of these identification of people. Now, of course, other values that we looked at is reduction in attrition. Some of the attrition, as I said at the beginning, one in two employees were saying that they were leaving because they could not find an opportunity, so that attrition is down and, of course, the cost of attrition is down, and employee engagement is up. As you said, we do ask that question in our employee survey that we call One Voice, and the results are pretty positive and promising that people are more positive towards the opportunities that they can find at Schneider. Last but not least, I would say one of the big values that we received was around diversity, and here of course I don't mean diversity of gender or diversity of age, because these are not captured in the opportunity marketplace; otherwise, it could be too biased of AI, but diversity of backgrounds, educational backgrounds, experiences, professional backgrounds, I think that has created a lot of great matches within the organization.

Stacy: That is a fabulous additional benefit there, Andrew, that I have not captured in the reading. David, could you speak to—we had a great example here at Schneider, but where have you seen the market go with respect to this? I know it has been six months since this study was published. Have you seen growth in opportunity marketplaces in practice?

David K.: That's a great question. Let me level set my remarks here. The research that we did for the report happened pre-COVID, so when COVID happened there was this big stopping of breath, like did we just spend a year researching something that is not going to be relevant going forward?

It wasn't just that opportunity markets still had a place, they actually became more important and more necessary in a wider range of contexts than we have even come to imagine. I will give you a couple of examples. First of all, when the pandemic happened and so many companies just froze their raises and a variety of other kind of financial benefits, what were companies left with to give to their employees to keep them engaged, focused, and supported? Opportunity. Companies turned to opportunity when financial benefits were not as accessible. They were also able to sustain employment through opportunity markets in three different ways. One was we saw cross-industry exchanges taking place, where industries created exchanges to take workers that had been furloughed in one place and get them jobs and positions in other industries. There are so many great examples at Schneider. There is another example at Schneider where Andrew and his team, they asked managers to look at jobs and split them into tasks and then create marketplaces around those tasks that help sustain employment levels. And then we also saw opportunity markets being used to redeploy workers where workers were sometimes in an area where there was underutilization to areas where they needed many more workers. We saw this at Henry Ford Health, where they had nursing staff exchanges where they took nurses in sort of lesser-used places and moved them into where there was more demand for nurses. Those are three different—so sustaining employment and rewarding employees.

Stacy: Andrew, is there anything else you would add as far as kind of twists of COVID and maybe what was unique for Schneider in this element?

Andrew: I think COVID has entirely changed our open talent market because before COVID, the open talent market was only available for a big number of employees, but not everywhere. And when COVID happened, the decision from our top

leadership was to launch it for everyone everywhere, and the idea behind that was many things. One, it was definitely, as David said, a message of hope. I think one of the things that our CEO was focusing a lot on is that the future is not canceled, and this is why we should [inaudible] that work and this is why we should keep learning. And I think that message was very well received when we launched the open talent market. Another part was definitely around what David was also referring to, the imbalance within the workforce. When COVID happened, you had 220 recruiters across the globe who did not have people to recruit because we were on a hire freeze. And they lent a hand to a lot of others in marketing and HR and services who had a lot on their hands. And I think this definitely balanced the workforce, where those that needed support went on the open talent market, raised their hand, and said, "I need help," and then they received it. By doing so, they developed and they networked and they met someone new, and many of them are now finding their next full-time roles because they already worked with someone and they know how they work and they know that they would like to work with them. The last thing that I would add is I think in light of COVID and you hearing about all these furloughs and redundancies and companies instead of repurposing the workforce, letting it go, I am sure the open talent market has definitely supported our employer brand because in all of our employer-branding activities, we focus on the open talent market that, when you join Schneider, you are in it for the long run. You join and then you can find another opportunity or project or gig or whatever floats your boat. COVID has definitely changed us with the open talent market.

Stacy: Maybe with that notion, Andrew, we have talked a bit about the research, we talked about what opportunity marketplace looks like and how it operates, maybe we can start to look at the horizon a bit, which I know is top of mind for all of us as we think about

how we navigate. Robin, I'll turn it to you first. How do you think organizational leaders should think about workforce management practices differently as we begin to emerge from our current environment?

Robin: First of all, I think we're seeing a situation where the entire executive C-suite is engaged on the workforce strategy, workforce management topic. There is not a CEO, there is not a board, CEO, COO, CXO of any type that is not engaging with their head of HR on this topic. And I think the recognition that this is a very strategic element of business strategy, much like digital transformation has been strategic and top of the agenda, companies are recognizing that this is something that has to be dealt with at the same level and, in fact, that is a big part of what we are digging into in this year's research is the extent to which opportunity and value can be accelerated in companies when you have the C-suite as a whole really tackling this problem and driving a unified change to how you treat and extend your programs and your opportunities to the workforce itself. So, I think that's the first big thing that is really important to recognize. I think the other is, and Andrew hit on this before, is really digging into the culture and looking at this notion of managers at all levels don't own their people and, in fact, the successful managers are those who create followership and create inspiration and draw people into the project or the initiative or the pro bono opportunity that they are leading on behalf of the organization itself. So, it is moving from a command and control model of many, many, many years we have seen in the workplace to a truly inclusive team-based model, and one where we talk about it where the human is at the center and what individuals want and what they need is more at the center. I think those are some of the big things. I really love Andrew's story about what they recognize because we are seeing this in the marketplace that we've known for many, many years that it was so much easier

to look for a job outside of an organization than inside the organization when they were frustrated. And so you see people leave. And after you've made that huge investment in people, you don't want to be part of an organization, you don't want to be a leader in an organization where it is a bit of a revolving door. It is not good for a business, it is not good for brand, it is not good for long-term value, all of those things. I think the other thing that is important, I work a lot with the technology companies, particularly who are the hyper-scalers on the West Coast. And many of these companies we refer to as teenagers. They grew so, so fast, they didn't have time to put in the proper infrastructure for workforce management, and what we're really seeing them think about, but also struggle with, is putting in the infrastructure so that they can continue to scale at the rate that they are scaling. And what they are making tough decisions on and I think they are really facing is, do we put in that model that I described before, Stacy, around fixed, common structured job architecture, for example, or do they leapfrog to an AI-enabled digital platform that completely powers an opportunity marketplace, a talent marketplace that is much more free flow, much more dynamic, much more enabling their strategy of moving beyond hiring just from the Silicon Valley, as they are all declaring, much more enabling the workforce to work from. I'm optimistic companies are going to connect the dots between business strategy that they are contemplating right now because of COVID and actual workforce transformation and workforce strategies that really leapfrog from where they are right now.

Stacy: Thank you, Robin. As you think about that, Andrew, and you think about Schneider, what's next for you and your organization?

Andrew: I think a lot of the cultural changes around the manager's role, around how things happen in an organization, that Robin covered, are definitely the future. But I also think that AI is also definitely going to be

part of the future. I think COVID was sort of a wake-up call for many organizations to either start their digital transformation or continue, and for us in Schneider, this is certainly something that's going to continue. We are looking at using AI for succession planning in order to find the right successor, not the ones that we like or not the ones that are the shiny ones, but the ones that have the best competencies at skills. Using AI for career pathing so that employees can be given this coaching or maybe support on engineering their next steps within their career with the support of AI if they don't have it somewhere else. Also, using AI for internal consulting because we do know that we have some employees who could be used as consultants, six months on this project or maybe eight months on that project, and that is something that we don't have today. I think AI is definitely part of the future and doubling down on some of these functionalities that we can use it for.

Stacy: Thank you, Andrew. And last point you made, we've had a couple different questions come in around the AI and the platform and whether we could maybe describe that in a little bit more detail. Andrew, maybe I will toss that one to you to describe the Schneider platform.

Andrew: I am happy to describe it. In a nutshell, it is a platform where opportunity seekers go, they create a profile, it is very intuitive, very user-friendly, you can bring in everything from LinkedIn, because as we all know and Robin said it, lots of people have LinkedIn, and that creates your profile with all the skills, the peripheral skills, your competencies, education, projects, experiences, languages, you name it. And then on the other side, you have opportunity owners, full-time roles, projects, mentoring, and the AI, the magic in the AI is it does the matching between the seekers and the opportunity owners. For us in Schneider, what is very interesting about our open talent market is that, and that goes back to your first question, we are not trying

to pigeonhole or to box people in a specific box. If you have been in finance for 20 years, you might want to be doing something else that we don't know because we don't have a crystal ball, and this is where the open talent market comes in handy because there is a section on the ambitions and aspirations, and that is taken into account in the algorithms of the AI where you can share, I would like to work on something else, and the AI would take that into account when matching you, so that is in a nutshell.

Stacey: Not everyone, I think what you said, is that not everyone at Schneider has to engage in the marketplace. So do you do things to encourage people to engage, and has there been any impact on your culture because of that? I am summarizing several questions here for you.

Andrew: We do lots of marketing for our open talent market. We do lots of webinars and town halls, virtual, of course, nowadays, and presentations and different HR VPs encouraging their people to join, but I think it is a market, if you don't need to buy anything, you don't go to the market. Sometimes you window shop, and you can do that on the open talent market, but in many cases, people go there because they are looking for an opportunity or something to learn or something, a network, so that is typically how it happens, but lots of promotion and lots of adoption. Now, the impact on the culture I think is huge, because as Robin was saying, I think the cultural shift from talent hoarding culture where you own your talent, they stay with you, and you decide when they move, I think that is the past. There is an openness, there is creativity, it is a market. People go and they find what they want, and you find what you are looking for with very minimal command and control mechanisms.

Stacey: Thank you, Andrew, and thank you, Robin, and thank you, David. The conversation has been phenomenal. I appreciate all the work that has gone into

the research itself, but really understanding how this has come together live.

David M. : A robust opportunity marketplace has benefits for individuals, for teams, and for the enterprise, enabling long-term resilience and agility.

As organizations continue to navigate this pandemic, leaders should continue to think of other ways, such as these marketplaces, to not only help workers enhance their skillsets, but also their well-being. Thanks to Andy Saidu for sharing his experience on how Schneider Electric created a well-rounded opportunity marketplace. And thanks to you for listening. Let us know what you think about Capital H, rate us on whatever podcast service you used to find us, and look us up on social media, we'd love to hear from you. We hope you'll join us next time as we explore more topics and trends that focus on putting humans at the center of work.



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