



Charting a new path: Co-creating the relationship

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David Mallon:

Welcome back to Capital H, the podcast where we explore making work better for humans and humans better at work.

I'm your host, David Mallon, chief analyst and lead of Deloitte's Insights2Action team.

Today kicks off part three of our four-part series on our *2023 Global Human Capital Trends* report. In the first episode, we talked about how some of these most basic, fundamental assumptions we make about work—how we organize it, describe it in

repeatable boxes—we call it a job. Or the workplace—where does work happen? Does it have to happen in an office? In a factory? Or it could happen anywhere? And then the workforce—who's in it? Is it just the folks that are on our balance sheet, or is it the wider group of people who create value for us? The boundaries between these things are all falling away. So we are increasingly in a boundaryless world in which workers and organizations are going to need to come together to craft new fundamentals. We talk about three in this year's report. In our second episode, we focused on the first of those three: the need for organizations

and leaders to frame challenges differently, to think like researchers, to approach each decision as an experiment, with a degree of curiosity and empathy.

In today's episode, we're going to tackle the second new fundamental, *Charting a new path: Co-creating the relationship*. What do we mean by co-creation? Well, if you are a frequent listener of this pod, or you've looked at our past Human Capital Trends research, you'll know that in 2021 we released a special report that was looking at this relationship fundamentally between workers and organizations. Because of

the pandemic and other reasons, it's changed and it continues to change. And we plotted four possible futures for where this relationship could go. Now, regardless of which of those futures comes to pass, or whether maybe all are, we know that, regardless, there's no scenario in which workers and organizations are not going to need to come together to redefine how they work together—to co-create their relationship. The three trends in this year's report under this fundamental all speak to where and how workers and organizations are essentially going to need to negotiate a new type of relationship going forward.

To be successful, organizations and workers will need to learn to navigate together, to co-create new rules, to create new boundaries, to forge a new relationship. That means models for ownership and value are probably going to shift. It means that organizations will likely need to give up the illusion that they were ever in complete control and recognize the role they play in what are really living and evolving ecosystems—and workers, as they assume greater influence and also assume greater accountability for organizational and societal outcomes. And together, both parties will work hand in hand into the future.

To showcase how organizations can successfully co-create relationships with their workers, I'm sitting down with Neil Walker-Nevearas. He's chief talent officer at M&T Bank.

After you hear from Neil, you'll also hear from a few of my Deloitte colleagues who are fellow authors on this year's study and subject-matter experts in the field.

With that, let's go to the interview.

INTERVIEW

David:

We introduce three of these new fundamentals in the report, the second of which speaks to the fact that organizations and workers are not going to be able to plot this future, to define these new boundaries unilaterally.

Joining me today to discuss how this co-creation is happening in real time, on the

ground, in an organization, is a longtime friend and colleague, Neil Walker-Nevearas.

Neil is chief talent officer with M&T Bank. Welcome to *Capital H*, Neil.

Neil Walker-Nevearas:

Hey, David.

David:

Let's start with some background. Tell us a bit about M&T Bank, maybe a bit about where you operate, your mission, your challenges, so forth.

Neil:

M&T is a community bank at scale. We're one of the largest banks in the country, but we're really about being hyperlocal. We operate in 27 distinct communities primarily in the Northeast. Our footprint spans from Southern Virginia up to Northern Maine and out to Buffalo, New York, and Western New York, where we're headquartered.

David:

This notion of hyperlocal—that says relationships to me. How are the relationships between your organization and your workforce shifting? How are you coming together to continue to evolve that relationship into the future? Have you started to co-create with your workforce?

Neil:

I think that actually connects back to our purpose as a community bank at scale. Our stated purpose is we make a difference in people's lives. And that really means something here. We exist for the communities, and not the other way around.

That gets us into a mindset naturally to co-create with those communities. We're headquartered in Buffalo, as I mentioned, and our two other hub cities are Bridgeport, Connecticut, and Baltimore, Maryland.

These are not traditionally communities that benefited as much as, say, the large coastal cities have in terms of opportunities for talent and growth.

I think that ethos kind of guides the way we approach talent and gets us to think about some things in an innovative way.

For example, all of our employees—our 22,000 people across our footprint—have 40 hours-paid time to volunteer in the communities.

That's not the only thing we do, but it's indicative of that way we're deeply embedded in the communities actually guides a lot of our talent practices.

David:

Practically speaking, how are you bringing the voice of the worker into this? How are you capturing the perspectives of the different kinds of workers that you have? Maybe talk us through an example or two. Where have you seen impact?

Neil:

Yeah, one of the things that we've been investing heavily in is what I would call modern customer experience capabilities. We've always been, I think, fair for our customers. There's a culture of putting the customer first. But to be transparent and a little vulnerable, I'd say sometimes our frontline folks have protected our customers from the bank because we grew over 30 years through 25 acquisitions.

Processes got more complex. We made things harder for our customers, and then our frontline colleagues would try and shield our customers from that.

So we've been investing in simplifying processes, simplifying service through things like customer journey mapping and better customer segmentation. Along the way, we realized, "Hmm, if we're going to improve the talent experience for certain talent segments or for all of our talent, we could use the same techniques."

So we began to use customer journey mapping for talent journey mapping. We looked at some of our most persistent problems and tried to apply those techniques. One example is for our Black and Latinx colleagues. We knew anecdotally they were having much different experiences and certainly different career journeys. You could just see it in the data where there was less representation of Black and brown employees in our senior levels of leadership.

That created the hypothesis that, “That journey must be different. That experience must be different.” And so our customer experience teams came in and partnered with us to almost take an ethnographic approach, like we do with customers. “Tell us about your journey. Tell us about your experience.” The data we got back was, was eye-opening.

In typical HR, we want to solve the problem. We want to jump in with a solution and try a bunch of things. We learned by asking those questions in a disciplined way what matters the most. And that informed what actions we would take, what investments we would make.

One of the results of that work, we launched a sponsorship program called Equity One, where we have several hundred Black and Latinx colleagues who were identified through our talent process and they’ve been assigned sponsors—senior-level people in the organization. We have a subgroup called Equity One Next Step, who are high-potential Black and Latinx employees and are paired with our executive leadership team members.

This flows back into our talent review and their sponsorship, and we’re holding all of our leaders accountable for talent movement and really moving the needle to give that talent a new set of stretch opportunities to move up in the organization.

David:

Taking a bit of a side trip, you do talk a lot about data there—the kinds of things that you’re capturing from the workers, these various different segments of the workforce. This notion of data and worker data—the intersection of what you can or should collect versus what then we’re going to use that data for—we think this is going to be one of those major points of negotiation between organizations and workers going forward.

Give us a sense of the kinds of data you are collecting, how you think about this, and maybe even how you’re engaging with workers around sort of where and why and how.

Neil:

Sure. With the journey mapping, that’s a rich source of data. So using our customer experience techniques to bring new data into the conversation and make better decisions, and prioritize things that are most important to our customers, in this case, talent segments.

I think the data that we traditionally collect in talent and HR, you can use that in new ways by just-comparing those data sets and looking for different patterns to form hypotheses and then testing and learning and trying things out.

We’ve recently moved our employee engagement data and our customer experience data all onto one platform.

And what we’re starting to do is compare, “Well, let’s look at a manager and her team. Let’s look at the NPS scores of their customers. Let’s look at the engagement data of that manager’s colleagues. Let’s look at the 360 data in terms of what people are seeing in that person’s leadership.” And then let’s start to triangulate that and go, “Hmm, can we pinpoint some things that really move the needle not just in improving leaders’ capability, but also how does that positively affect engagement scores going up, and how does that positively affect NPS scores going up?”

I think organizations have a lot of data already. How do you see that data interacting, and how are you making better investment decisions in your talent and your leaders in order to move the metrics that matter forward?

David:

Well, at the heart of that it’s not just that the organization is choosing to make certain investments. It’s that the workers themselves are contributing to that decision, right?

I think one of the things that I’m hearing is a theme, I think—the M&T story broadly is the definition of-what we’re getting at with this notion of co-creating with the workforce because you’re not simply looking to ask the employees to weigh in on how the organization should solve what it thinks the problems are, but you’re asking them to

weigh in on what challenges and problems you should solve for in the first place, which is the definition of co-creating or co-authoring the future.

And it connects back to this notion of being purpose-driven at scale. Tell me a bit more about how that plays into your employees [who] are actually part of the community.

Neil:

There are a couple of things that come to mind around that for me. The first is the importance of tone at the top and that employees are seeing that leadership is just as invested in the communities, and they’re showing up as everybody else is.

I don’t mean to sound so hierarchical, but I think one of the things that we’ve developed over many, many years is it’s all the way up and down. It’s really important for our leaders to show up as part of those communities as well, and have them kind of pay that forward.

The other is you need a culture of openness and feedback to make all of this work, right? As you’re collecting data from various sources about what customers are sensing or feeling, how employees are feeling, what managers are doing, you can’t get into a defensive posture on any of that.

It’s got to be, “Oh, wow. That’s really fascinating. And that’s really helpful. And I want to improve.” That was tough to hear, but I believe that this is going to make those communities better. This is going to make the business better. This is going to create a better experience for our customers.

David:

Starting to wrap up today, a theme I’m picking up from this entire conversation, I think the M&T story is the definition of what we mean by co-creation with the workforce. You’re not just looking to get the employees’ input into how to solve what the organization thinks are the problems or the challenges, you’re trying to get their voice and their input into what challenges and problems to solve in the first place. Your workforce is helping to co-author your future. As you’ve touched on a couple of times, I think this connects back to your notion of being purpose-driven at scale.

Talk to me a bit more about what that looks like. You know, every community on the ground, employees focused on needs of the community. How that plays out, and how they show up.

Neil:

Maybe it'd be helpful to talk a little bit about, where this goes, and what one of those endpoints in terms of decisions and succession and talent really, how that works out. We have 27 regional presidents. They are the face of the bank in those communities. We show up as a local bank through the regional presidents and their teams. And in the normal course, we have retirements and succession events that are happening all the time. We plan for them, but by going through this process of co-creation, and by focusing, for example, on the journeys and then helping get diverse leaders prepared for these roles, we were able to look at succession in one of our regions very differently.

So here I'm going to pick on our Boston region—very important for us, especially in our commercial bank. We were running our normal succession process. We had several very qualified candidates. We were able to nominate and then promote an Asian American colleague, a woman, who really represented the best of everything that we were trying to be in those communities. As I often say, there's an important headline here, "Representation matters." And that includes at senior leadership levels. But you can't just make that happen without doing all of the work to get there and prepare colleagues to be ready to lead at that level.

So we were fortunate to be able to make that happen. But what really surprised us is all the doors that it opened up after we did it. This leader is just helping us to show up in that community differently. She's leading her colleagues in a way that is having the whole bank show up in a different way that differentiates us from our competitors. By the way, many of those colleagues were also qualified, the succession candidates. And her leadership that we'd worked on, actually they want to work in that environment. So it worked out really well. But you don't get to that end point and that result by just saying, "Representation matters." You have to do a

lot of the things that I talked about, including the sponsorship, including looking at the data, including making sure you're rigorous in your processes. And then you get those moments that matter, and you can seize them.

David:

First off, wow, as an example! That notion, that headline of "Representation matters"—I think that is the perfect encapsulation of what we're getting at with this notion of co-creating the future. On many levels, workers exerting agency and influence help the worker and the organization co-authoring a future for all of its stakeholders. And so, on that note, Neil Walker-Neveas, I want to thank you for joining us today at *Capital H*.

Neil:

Thank you.

David:

To continue our conversation, I'm now joined by a few of my Deloitte colleagues. They are each co-authors of this year's *Global Human Capital Trends* report. We're going to go deeper on the three trends in this year's report that all speak to where and how this relationship is being co-created. They are negotiating worker data, harnessing worker agency, and unlocking the workforce ecosystem.

We'll do the roundtable now.

ROUNDTABLE

David:

Welcome back listeners. It's time for our roundtable. Joining me today are a few of my fellow Deloitte *Global Human Capital Trends* authors. First John Forsythe. He's a managing director in our Organization Transformation practice. He works primarily with clients in the government and public services, and he was one of our 2023 *Global Human Capital Trends* authors. Glad to have you with us today, John.

John Forsythe:

I'm very happy to be here. Thanks, it's an honor to be here with you, David, and other colleagues like Nic and Kraig.

David:

Yes. And that gets us to Kraig. He's a principal in our Human Capital practice, and he's one of the co-leads for the 2023 *Global Human Capital Trends* study, and he's a frequent guest on this pod. Welcome back, Kraig.

Kraig Eaton:

Well, I'm glad you invited me back. No, in all seriousness, a lot of fun. Thank you. I'm looking forward to this discussion.

David:

Great. And another repeat guest on the pod calling in all the way from Japan, Nic Scoble-Williams partner, and our future work lead for the Asia Pacific region and a 2023 *Global Human Capital Trends* author. Thank you so much for joining us, Nic.

Nic Scoble-Williams:

Thank you, David. It's always such a delight to be here with our fellow colleagues here and really excited for this important conversation.

David:

Yes. Now, listeners, you have just heard from Neil Walker-Neveas at M&T Bank. Thanks again to Neil for sharing his perspectives on what co-creating this relationship has meant for M&T and its workforce. In today's roundtable, my colleagues are going to look to dive deeper on the three trends in this year's report that fall under this co-creation theme. Specifically, this new fundamental, which we call *Charting a new path: Co-creating the relationship*.

Past readers of our *Global Human Capital Trends* research and longtime listeners to this pod might recall that in 2021, we released two special reports. In the second of those two, we looked at this changing relationship between workers and organizations, and we attempted to model where and how that relationship might evolve into the future.

Fast forward to this year's 2023 study, and it only reinforced for us first how essential this relationship really is to whether or not organizations are going to thrive in today's disrupted world.

But second, how much it *is* a relationship. Two sides that need each other, need to work together, really need to get to know each other to find common ground. With all that in mind, in this year's report, we call for organizations to abandon any sort of illusions of unilateral control and recognize the need to build that relationship with their workers. Workers who have more agency and influence than ever before, and workers who must now also grow into a greater shared sense of accountability for organizational and societal outcomes as a result.

The three trends in this report that fall under this category, they all speak to where and how this paramount relationship is being formed and reformed in real time, in organizations all around the world. They are negotiating worker data, harnessing worker agency, and unlocking the workforce ecosystem. I'm going to invite the panel back in now to take each in turn.

So let's first talk about "negotiating worker data." Organizations continue to expand the worker data. They collect data about behavior, communications, social connections, even keystrokes and mouse clicks. And many don't even know just how much data they really even have. But this data is now being used for all sorts of purposes, supporting insight, informing decisions, guiding strategies, and it's raising questions.

What data should we collect? For what purposes? For whose benefits? So not surprising, there's an emerging dialogue at least, and maybe perhaps a negotiation.

When we talk about "negotiating worker data," what exactly do we mean? I'm going to start, John, with you.

John:

Thanks, David. So, you know, you mentioned it when we talk about worker data, it's wide and varied: demographic data, performance data, survey results, the results of skills inventory, behavior. Traditionally this data has been owned by, used by, and has benefited the organization. As they make business decisions and as they make

workforce planning decisions, they're using that workforce data to inform those decisions.

But that tide is changing, in part driven by societal and workforce expectations. But also we're seeing regulatory changes in some European Union countries. The protection of worker data is increasing, and we believe that that's going to impact other countries like the United States, in terms of protecting worker data.

When we think about negotiating worker data, first and foremost, we talk about being sure you're being transparent with how that data is being used. Building the trust of your workforce to see that your use of their data is not being misused, mishandled, misinterpreted, or otherwise disadvantaging the workforce.

And secondarily, after being transparent with your use of the data, ensuring that there are mutual benefits that both the worker and the employer are seeing benefits from the use of that worker data, and that those individuals can tangibly feel the difference that they feel that they have benefited from, the use of worker data.

The way we describe this, in our consumer lives, individuals don't share data with organizations that they buy from if they don't trust that organization, right? They won't click "accept cookies" if they don't trust that organization. It's coming now to the point where workers are going to be able to make the same kind of decisions where they won't let their employer use their worker data, unless they see that there's mutual benefit and they trust its use.

There's a Harvard Business Review study that shows that 90% of employees are willing to let their employees collect and use data about them, but only if it benefits them in some way. And so, really paying attention to being transparent and ensuring the mutual benefits is really what we're seeing organizations navigate through.

When we conducted our Human Capital Trends survey, we asked the question, is leveraging worker data to create benefits

for both the organization and its workers—is that important to you? Eighty-three percent of business leaders believe that it is important or very important, but only 19% of them feel that they're ready to do so. So there's a tremendous readiness gap between those organizations that believe it's important to ensure mutual benefits and transparency and the ones that are really ready organizationally to do that.

And I think that's one of the trends that we're seeing is the closing of that gap.

David:

Nic, how is this playing out in other parts of the world?

Nic:

Yeah, I think John's reflections there really start to bring it to life. And I think we are seeing some examples of organizations that are really trying to embrace this increased desire from workers for organizations to capture their data and to use it for mutual value. As you mentioned, David, I'm here in Japan, and if I look a little bit closer at this part of the world, Telstra, one of Australia's largest telco companies, [is a] example, where they are giving their workers the ability to interact, to edit, and to see their own career data.

They are maintaining an internal site called My Careers. And that site has all of that information and insight around what's happening with their careers, their skills—and the organization's really committed to actually using that data, both for the organizational benefit, but also for individuals to be able to get insight on where there might be opportunities for them to pursue some of their personal and career passions.

And what I would say, however, is even where organizations are able to collect and access and interact with this worker data, there are some really important cultural dynamics at play, particularly in some countries. And this is where what John was talking about in terms of the role of trust, the role of psychological safety, in order to actually give workers the confidence and the reassurance that the data will be used in a

way that is going to create value, not just for the organization but also for them.

We are particularly seeing that in relation to collecting DEI, diversity, equity, and inclusion, data. Every single day, I'm having conversations with clients and audiences at speaking events that say, we have got those portals, we have got the technology, but our workers are not willing to share the data with us to help them understand all of those different things about them as a human and really help us work out where are those intersectional communities.

So, you know, I really think that it's important to keep that multidimensional view here of yes, we need the technology. Yes, we need the tools and the power of things like AI to be able to leverage, but ultimately it is really those important human dimensions about the psychological trust and safety that really enables us to unlock the potential that we can achieve in collecting, using, analyzing, and sharing that data.

David:

So what I think in both John and Nic of your answers, there's this sort of underlying theme, which I mentioned our 2021 special report earlier. The second trend in this set really picks up a kind of underlying current, which is that workers have a rising degree of influence, a voice of expectation of what they want from the relationship with their organization, what they want it to be, what they want the work to be, the workplace to be, and so on.

And so it's not surprising that agency shows up in data and how that data is used, but they have this growing sense of agency that doesn't seem to be going away even as the pandemic might recede or economic conditions shift. This is our second trend, "harnessing worker agency." How do we do that? How do we harness worker agency? I'll actually stick with you, Nic.

Nic:

Sure. And I think this is one of those trends that even though it's playing out a little bit differently across different geographies, industries, sectors, and demographics, it's really impacting universally. And I think here

what we're starting to see is organizations recognize they need to work out how do we embrace this desire of workers to have more choice, to have more influence? And really harness that worker agency in a way that it can help elevate the motivation and the engagement of workers in co-creating and driving mutual and elevated benefits.

We are seeing a few different dimensions to worker agency. One is around worker self-determination. So here is a little bit like what you were talking about, David: "I want more choice and influence over where, how, when I do my work." For example, if we look at what our Deloitte research into Gen Zs and millennials is saying, 77% of Gen Zs, 75% of millennials tell us that they would consider looking for a new job if their employer required them to be onsite full-time.

And a third of them say, "And I would leave without any other employment already lined up." If we look at work self-determination from a well-being perspective, we are *really* seeing some important shifts here. Globally, we have 75% of C-suite executives, 64% of managers, and 60% of workers telling us in our Deloitte well-being research that right now, today, they are seriously considering leaving their job for one that will better support their well-being.

Then if we start doing a little bit of a spotlight on different countries. And I think Asia Pacific—I'm biased because, as I say, I'm sitting in Japan—but I think the diversity in the dynamics that we are seeing really helps illustrate what is at play around harnessing worker agency. In Japan, we have 72% of workers telling us, "I do not want to be in a management position," and we have 69% saying, "I'm just going to work for money. I don't want anything more than that."

So we are seeing a really significant shift in a country that has a lifelong employment model and really strong history of worker loyalty. We are absolutely seeing this moment of reevaluation. If we look at China, we have 72% of Gen Zs saying they're ready to quit their jobs without another lined up if their employer isn't going to be listening about what they need, want, and expect. In Australia, one-third of workers that have

left their job over the last 12 to 18 months left it without having another job, you know, lined up. And then even in Singapore, we now have 54% of Gen Zs saying, "I no longer want traditional employment. I want new and different type of engagement with my employer."

Then we have a very much connected, but slightly different dimension of worker agency. And this is the focus on worker activism, workers wanting their organizations, their values, their strategies, their policies, their actions to align with their own personal values. And that might be in relation to a wide range of issues, whether it's environmental practices or social good or racial and gender equality. Here we really see this featuring in what Gen Zs and millennials are telling us is important to them.

We have three in five Gen Zs and millennials telling us that they have rejected work assignments or job offers because they didn't feel it aligned with their personal values. And more than a third that have turned down employers because they don't feel they were doing enough on some of those important matters around the environment, DEI, or mental health. And so really seeing the power of this.

Having said that, we are seeing some examples of where organizations really are harnessing that worker agency.

So, for example, in Australia, we saw a very small Aussie bank called Judo Bank, a bank that has no physical branches, was named Australia's best workplace for 2023—above, beating, the big banks in Australia that have been historically very well regarded and applauded for the way that they create a workplace that is admirable and one [where] everyone wants to be.

And some of the things that Judo Bank talk about that they think really differentiates the experience that they're creating in their focus on harnessing the worker agency is they put an owner's mindset at the center of everything and anything in the career and talent experience. They want everybody

to be empowered to make decisions, to be co-creating.

To help them really work out what do workers want, need, and expect from us, they introduced the Judo Employment Delight Index. It's a unique engagement tracking tool. And on a weekly basis it is pulsing not just how workers are feeling in terms of engaged, but it's looking at some of those really important emerging signals around energy, mood, commitment, and loyalty.

So yes, we are seeing some real reevaluation both from workers and employers in terms of how they're going to harness this worker agency and realign what they work, need, and expect from each other, but at the same time, seeing some of these examples of where organizations are really leading the way and showing us how to do it.

David:

John, jump in here. What are you seeing?

John:

I think Nic is spot on with examples and the data that you're sharing. Let me share a personal story too. Here at Deloitte, one of the roles that I play is I developed and I own our methodology for culture transformation. And recently with the advent of generative AI, my practice leader asked me and other methodology owners, "How would generative AI disrupt our approach?"

So, I asked two consultants—fresh out of college, they're digital natives, very familiar with generative AI. I said, "Take an objective look at this methodology, and how do you think generative AI could disrupt it and change how we would deliver to the marketplace?" They literally came up with five times as many ways that we could change that approach. Great suggestions, ones that I couldn't have come up with, but because they're looking at it objectively and through the digital-native lens? Fascinating insights from these young practitioners.

And I talked to them about this afterwards, and they were both so excited that they had a chance to share their voice, their sense of ownership in our approach in our firm.

Their sense of commitment to this firm went off the charts. And it's those kinds of simple moves that I think really allow worker agency and that sharing and involvement of decisions to improve both how we change in this fast-moving technological environment and how we create partnerships between leadership and workforce that didn't exist in the past.

Kraig:

David, if I may chime in here 'cause there's just something [that] really resonates and a bit of a red thread between some of the examples that Nic mentioned and what John was just saying, which is the mutual value that can be unlocked when you really take advantage of worker agency. And when I mean "mutual value," I mean both to the worker and to the organization.

What I oftentimes hear as I am engaging with leaders is worker agency—the misconception is [that] all the value is for the worker and the organization just has to, you know, sort of grin and bear it. I'll raise one example, from an organization many of you are familiar with, Novartis, that recently introduced what they called "choice with responsibility," which I think is a very appropriate name because obviously the choice really nods to that agency and that flexibility, but responsibility also nods to ensuring that they can find that sweet spot between optimizing both the personal performance and the business performance.

They moved away from having any sort of policy that required managers to approve ideas that workers came up with around how, where, and when they worked to a manager-informed decision. And so it really allowed the worker to have not only a larger say but also ensured that the manager, the leader, was in the loop and informed of that decision to try and strike the right balance between what was right for the individual and what was right for the organization.

David:

Thanks, Kraig. I think this notion of mutual value, it's perhaps a thread that actually connects all the trends in this set in a way. I'm going to use that to kind of bridge to

our third, which is "unlocking the workforce ecosystem." I think we've talked about workforce ecosystems for a number of years, either in our human capital trends research [or] in many other places.

Organizations have an expanding set of different kinds of worker segments, different types of workers with different types of connections to the organization: contractors, gig workers, consultants, etc. We're long past a day in which the workforce just meant those that are on our balance sheet or our payroll—that's not new.

But what is, and what we call out in the report, is this idea that we've reached a stage where regardless of those different types of formal ties, if we are going to find wider expanded mutual value to unlock the full benefits of this entire workforce ecosystem, benefits for the organization, and benefits for the individuals involved ... benefits for the organization that might include things like agility and scalability, access to talent, and so on. But also I think for the individuals in terms of things like workforce experience, both sides—and particularly the organizations—are realizing they have to address it in an all-inclusive way.

And yes, different types of workers are going to have different types of needs. They're going to make valuable contributions in different ways, but we have to plan for them, account for them, and support them in ways that are at least equally valuable to worker and organization alike, kind of regardless of which segment they might be part of. And so that gets to this last trend: "unlocking the workforce ecosystem." How exactly do we do this? And Kraig, I'm just going to come right back to you.

Kraig:

Yeah, absolutely. You hit a couple of the really important points. I don't think anybody is questioning the value of fostering a diverse workforce ecosystem. They understand the power of diverse thinking, the power that comes with engaging individuals across that spectrum, especially in this environment today where in many pockets there's a shortage of talent, there's

a need for how to address the worker agency expectations we've just talked about.

And as you mentioned, these components aren't new, but this concept of an ecosystem, just by nature, how do they work together more seamlessly is really what this trend is all about in terms of, and hence why we use the term "unlocking," because it gets to that performance uplift and that productivity uplift—productivity more broadly in terms of the individual performance of the team, performance of the organization, and even the well-being of the individual.

There's really a couple of things that organizations must do. They have to take a broader mindset when they're thinking about things like workforce planning. When they're thinking about things like staffing teams and bringing unique perspectives together. They have to take a more skills-based approach. It's less about the job structure and where are those jobs or who's in those jobs.

It's more around where do the skills reside across all of those workforce ecosystem components, and how do they use technology effectively to really engage that holistic ecosystem and drive that uplift in performance. A couple of examples, or at least one in particular, that I thought was really unique, we spoke to Unilever. And if you think about Unilever, there are 150,000 people worldwide.

But that's just their traditional employee account. When they looked much more holistically around what they viewed as their "full" company workforce—third parties, agencies—that number ballooned to almost 3 million in magnitude.

And so what they're doing is they're looking at ways in which to really understand that holistic workforce, harnessing data and insights about that *total* workforce dynamic inclusive of the external parties, and really, how do they better understand the skills that ecosystem possess[es], and how do they use those skills more effectively to create a more flexible and more agile workforce as they have to more quickly

pivot that full workforce into their most pressing needs.

John:

And David, as you mentioned in my introduction, I serve the US and state and local governments, and so many people like myself are drawn to support government organizations because of the mission of the organization. We find a sense of purpose. In many public-sector organizations, nontraditional employees, part-time employees, temporary staff, contractors, fellows, interns, gig employees, alliance partners, they might sometimes outnumber the number of traditional employees within that public-sector organization.

And given that so many people are inspired and motivated by that sense of mission and purpose, breaking down some of those barriers that might exist and helping each member of the talent ecosystem see a direct line of sight between the work that they do and the mission impact that that's creating—what a tremendous opportunity there is to increase that sense of inspiration and motivation and get new sources of innovation to deliver on government services.

And I think the idea of a talent ecosystem is something that many government leaders can learn a lot from.

David:

Thanks, John, and thanks, Kraig. I think it's time to wrap our conversation for today. I do want to close on this broader concept of co-creation. I think many of our listeners are likely not entirely clear what that means. I think it's easy to underestimate how difficult it can be or how hard it is. Perhaps it's not a natural set of actions or behaviors for most leaders.

And so, in that light, I'd like to give each of you an opportunity to share your own sort of personal words of wisdom. Talk to the leaders that are listening in the audience today and how they can get started.

John:

Yeah, great. Thanks, David. Everyone, no matter what level they are, what generation

they're from, they want to feel important. They want to feel heard, and they want to feel that their voice matters, right?

If we can do that, if we can truly engage each level of the workforce to make them feel that sense of ownership and that sense of commitment to the organization, great things can come from it. It doesn't have to be the sort of command-and-control, top-down hierarchical approach that many people like myself grew up with. But if we really want to be able to seek sources of innovation, leverage digital technologies, then we've got to be able to leverage the strengths of every level of the organization and share experiences, but also look at the objective way that new insights, that new technologies, can bring.

And who better than our younger generations to do that. If we can have that voice be heard—new ideas, increased inspiration, increased commitment—I think it's a win-win across the board. But it does take leaders to step back and say, "This wasn't how I was led, but the times are changing. I've got to be able to lead in a way that's different given the change in generations and the change in technologies."

David:

Kraig?

Kraig:

Yeah, I mean, John hit a lot of very important points and really focused a lot on the value to both the worker and the organization. Let me put it in maybe traditional business terms. In this world, as I talk to a lot of leaders, there's a recognition that with the new ways of working and the pace and severity of disruption, that speed and agility is becoming extremely important to their organization's success.

So think about co-creation as a way in which you can accelerate the ideation stage, you can accelerate the decision-making stage, but only if leaders create an environment where as part of co-creating, that workers and everyone alike can make some mistakes. And that's OK.

So co-creation is, in my opinion, very powerful to accelerate decision-making and more quickly respond to the ever-changing landscape that exists in the business environment today.

David:

Nic, your thoughts?

Nic:

Oh, I echo all of those very wise insights that John and Kraig have shared. And I guess I may build on both of those. I feel it is so critical not to underestimate the power and the role of inclusive leadership. Inclusive leadership is so key in that ability to either accelerate or constrain our co-creation efforts.

In our survey this year, we had only 15% of respondents that said they believe their organization has leaders with the capabilities to lead inclusively in this boundaryless world. We know we are in this moment of reevaluation. We know that workers are changing what they desire, need, expect. And we need to be really intentional in how we invest in and build those relationships with our workers from inside, outside, around, and, you know, upside downwards across the organization.

And to do that, it means deep listening must be at the core. You know, earlier you heard me touch on how some of these dynamics are playing out differently in different geographies, industries, sectors, and demographics. So in order for us to work out where are those unknown and unmet needs? Where are those opportunities for

us to unleash the power of co-creation? We need to have the deep listening in place.

So those would be my closing thoughts! Inclusive leadership powered by deep listening.

David:

New ownership models—they're going to require a large shift from how many work today, so it's no surprise that organizations were least ready to address trends that are part of this particular fundamental. According to our survey, only 19% of organizations say they're ready for data ownership, or negotiating it with their workers; 17% were ready for realizing the value of this increased agency that workers have, and only 16% for understanding and unlocking their workforce ecosystems. This readiness gap's going to be critical to overcome if organizations are going to capitalize on the potential innovation and improved individual, business, and societal outcomes these trends could drive.

Many thanks to our guest speakers for joining us today.

In our next episode, we're going to explore the third of our new fundamentals, how organizations should prioritize *human* outcomes.

Thanks for listening to *Capital H*. Let us know what you think and rate us where you find your podcasts, and stay tuned for our next episode.

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