

Workforce agility report Mind the gap: what workers want and what HR can deliver.

A Gloat Research Group Report on maximizing workforce agility and aligning employee expectations to HR ambitions





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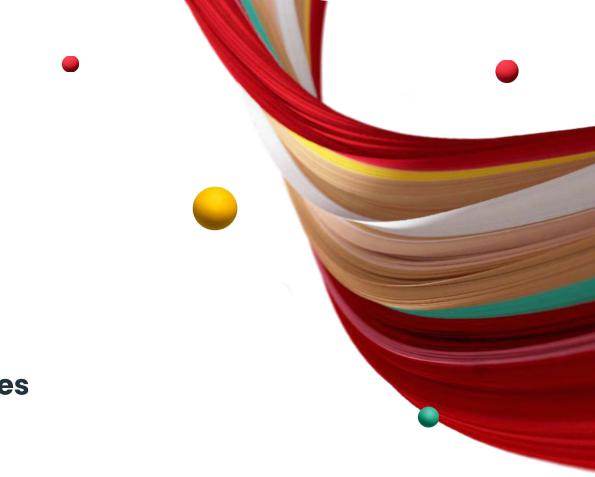
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01 Workforce agility as the new standard

Uncertainty is the only reliable prediction for the new world of work. Momentous events and unprecedented turbulence are no longer rarities; instead, recent years have seen COVID-19, supply chain disruptions, and global talent shortages flip operating models upside down and redefine the status quo.

To succeed in this ever-changing new normal, organizations are pivoting from static HR practices to agile workforce strategies. Most leaders recognize the value in shifting to more dynamic approaches, with <u>9 in 10 reporting that organizational agility</u> <u>is critical to future success.</u>



What is workforce agility?

As tumultuous times make workforce agility a vital survival mechanism, leaders need a firm understanding of the differentiators that set agile workforces apart. Namely, these dynamic organizations can rapidly shift priorities and adjust operational procedures as new priorities emerge. They're swift in assessing market demands and redeploying talent at scale to tackle challenges head-on.

Businesses that embrace agility at speed and scale reap several gamechanging benefits that set them up for future success. Agile organizations enjoy better employee engagement and retention rates, superior productivity, and greater innovation. By moving from vertical hierarchies to flatter, networked teams, employees across an organization are empowered to share their ideas, tackle new challenges, and achieve their full potential.

The roadblocks that hinder agile transformation

Changing a company's organizational structure, processes, and culture to unlock agility are foundational shifts that influence every element of work and the workforce. Although most leaders understand the benefits associated with agile transformations, businesses keep running into the same roadblocks: legacy frameworks, unrealistic timelines, and a resistance to change.

Everyone feels the weight of these challenges, but they manifest differently for employees, managers, and HR leaders. There are at least two sides to the story—manager perspectives paint one picture, while employee feedback might portray another.





Aligning multiple perspectives to chart a path forward

How can business leaders create an integrated narrative connecting both manager and employee perspectives? Once executives gain insight into all of the challenges that are holding their transformation back, they can begin crafting a future-oriented strategy that will turn their vision of workforce agility into a reality.

To find a common ground, we polled more than 1,300 employees and HR leaders in June 2022. The results delve deep into the challenges that are hindering businesses from unlocking agility. By weaving together multiple vantage points, leaders can steer their organizations toward an agile transformation strategy to set their business apart in the new world of work.



02 Understanding today's most pressing workforce agility challenges

Embracing dynamic ways of working is far from a simple transition. Fueling successful agile transformations requires leaders to step away from traditional hierarchies and familiar operational processes. Instead of relying on jobs as the primary—and often only—unit of work, businesses must put skills at the center of their talent strategies to accelerate response times, maximize efficiency, and create capacity that can grow and shift to meet emerging priorities.

While shifting to a skills-based strategy has the potential to maximize agility, this transition comes with several fundamental challenges. Based on our survey, this chapter will examine the top obstacles organizations are facing as they strive to embrace agile ways of working.



Passion and purpose are lacking

54% of employees

report their employers don't take their future interests into consideration

91% of HR managers

out of which

believe tapping into employees' interests is important

If employees aren't invested in the work they're doing, it's going to be very difficult for them to stay engaged, especially as priorities shift and new challenges emerge. While nearly all managers recognize the importance of fostering their people's ambitions, nearly 1 out of 3 acknowledge that their organizations aren't taking these factors into account.

Consequently, it's no surprise that more than half of workers feel like their employers are missing the mark when it comes to prioritizing their future goals and interests. Rather than sticking to the same one-size-fits-all development paths, agile organizations tap into career pathing to put every employee at the helm of their professional growth. Workers gain insight into all of the opportunities their employer has to offer so that they can participate in projects and gigs that align with their long-term goals.



31%

acknowledge they're not collecting information on it

Updated frameworks for jobs and roles are missing in action

45% of employees

report their job descriptions are out of date, no longer relevant, or they don't have one

Without an updated job architecture and accurate job descriptions, leaders are left in the dark about the critical skills needs that will determine future talent management decisions. Executives won't be able to pinpoint which competencies they need to hire for and how they can reallocate talent to meet evolving demands. Yet, both managers and employees agree that job descriptions and frameworks are out of date.

As a result, there's a genuine risk that knowledge gaps will continue to widen as leaders struggle to make the strategic workforce planning decisions that will set their organizations apart.

43% of HR managers

report their job architecture is out of date

Rather than missing the mark when it comes to critical competencies and hiring needs, agile workforces tap into workforce intelligence to gain dynamic insights that shed light on emerging knowledge gaps, skills trends, and how the competition is positioning their jobs.



Talent shortages pose an ongoing threat

39% of employees

are burnt out

80% of HR managers

are experiencing a talent shortage

When there's limited expertise and widening knowledge gaps, response times will slow to a halt and workforce agility will quickly become out of reach. In compounding fashion, many businesses are continuing to grapple with talent shortages, as most HR managers acknowledged in our survey. A lack

of support is causing employees to feel the pressure, and the uptick in workplace stress levels likely fuels a vicious turnover cycle that leaders will struggle to contend with. Agile workforces sidestep the revolving door of new hires that so many businesses fall victim to. Once employees are empowered to build new competencies by taking on projects, volunteering, and mentoring experiences across the organization, far fewer workers will be tempted to leave for better opportunities elsewhere. As a result, leaders will be able to **grow the talent they're looking for,** rather than searching for it in an exceptionally competitive hiring landscape.





Bandwidth holds everyone back

33% of employees

don't know what their career prospects at their current organization are out of which

don't have time to work on this because their job is very consuming

Both employees and managers are feeling the time crunch that comes with today's accelerated pace of change. More than half of all managers are reporting that analyzing workforce insights is falling by the wayside due to limited bandwidth, while one-third of employees note that career development goals are being put on hold due to the time-consuming nature of their jobs.

When managers don't have insight into how their teams are progressing and the skills they possess, pinpointing the right talent to redeploy as new challenges arise becomes exceptionally challenging. Similarly, employees who are already overwhelmed will likely put learning and development on the back burner, which weakens skills-based organizations in the long run.

Rather than letting organizational silos slow response times, agile workforces harness talent marketplaces to <u>maximize output levels and</u> <u>accelerate speed-to-market.</u> The platforms match people to open opportunities based on their skills and capacity, in turn ensuring no project is hamstrung by capacity limitations or lack of visibility.



54% of HR managers report struggling to get by in analyzing

workforce insights or not having the bandwidth to get it done



Internal mobility is a rising priority

63% of employees

are interested in being considered for different, new career opportunities within their companies

74% of HR managers

are studying and piloting new systems to focus on internal projects and gigs to make these opportunities more visible to employees

When it comes to unlocking workforce agility, **internal mobility is a powerful accelerant.** Once employees are empowered to take on projects and gigs across the organization, quick response times and do-or-die pivots are no longer out of reach. Our survey results show internal mobility is also a win-win; employees are looking for more career development opportunities, while managers are exploring new systems that prioritize making internal projects and gigs visible to all team members.



Subpar systems hinder mobility and agility

36% of employees

want to switch to another team or department

out of which

report there are no systems or incentives to do so

Despite the buzz around internal mobility, managers and employees acknowledge that there are currently several obstacles hindering their organizations from taking full advantage. From the employees' perspective, that means workers aren't incentivized to take on new projects and build skills by pursuing experiential learning opportunities. At the same time, managers think their current talent management systems are insufficient or create siloes that hold internal mobility initiatives back. Agile workforces tap into new tools and technologies to eliminate these barriers. Workforce agility platforms equip HR managers with a single source of truth for talent management and skills, while employees gain visibility into relevant development opportunities.



58% of HR managers

report their talent management systems don't work well together, are not fast enough, or are out of date

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03 Spotlighting workforce agility's game-changers

Understanding what employees and managers view as the top obstacles to unlocking workforce agility is an important first step. Once leaders gain a comprehensive picture of the roadblocks their teams are facing, these executives must devise a strategy for overcoming them.

Although every business's agile transformation journey will be unique, there are a few game-changers that underpin all winning strategies.



Talent marketplaces

When it comes to fueling more agile ways of working, <u>activating internal</u> <u>mobility across the organization</u> is going to be critical. Once employees are empowered to take on projects and gigs with various teams, it becomes much easier to redeploy talent to respond to new challenges in real-time.

However, our research reveals that managers and employees are encountering several challenges that hinder internal mobility at many organizations. While approximately 3 in 4 HR managers are piloting new systems that focus on projects and gigs, nearly half of the employees we surveyed noted that their organizations don't currently have internal mobility programs in place.

Rather than letting career development stagnate, visionary enterprises are harnessing talent marketplaces to launch internal mobility initiatives at speed and scale. The AI-powered platforms match employees to projects, gigs, mentorship opportunities, and full-time roles based on their skills and ambitions. Talent marketplaces also generate suggestions for managers who are looking to fill open roles or projects, in turn opening their eyes to qualified internal candidates who may have once been overlooked.

In addition to powering internal mobility, talent marketplaces represent a major win for purpose-led career development, which is something many businesses are struggling with. Currently, more than half of employees think their organization doesn't take their interests into account enough. With built-in career pathing tools, workers can harness talent marketplaces to identify experiential learning opportunities that will enable them to build the skills they need to turn their career goals into realities.



Workforce intelligence

While skills-based strategies are essential for maximizing workforce agility, our survey indicates that many organizations are lacking a full picture of their workforce's capabilities. Both HR managers and employees agree that their job architectures and descriptions are out of date—or worse, these resources don't exist in the first place. To add another layer of complexity to the equation, skills information often lives across different systems, making it difficult for leaders to gain a comprehensive view into the full range of capabilities within their workforce.

Without transparency into the skills of their workforce and the capabilities they must develop, making strategic workforce planning decisions becomes nearly impossible. Instead of expecting leaders to infer what skills their workforce has or relying on job architectures that quickly become obsolete, agile organizations <u>are tapping into Workforce Intelligence to gain the</u> <u>strategic insights they're looking for.</u> The platform harnesses a rich and self-evolving data set to create skill and job benchmarking. Workforce Intelligence also keeps roles and responsibilities updated with insights from internal and external sources, ensuring that job architectures remain relevant even as priorities change and employees hone new skills. As skills gaps are identified and job descriptions are updated to more accurately reflect competencies, employees can tap into the talent marketplace for relevant upskilling and reskilling opportunities.



Pixelation

In addition to harnessing new tools, businesses must also embrace a key concept that sits at the heart of workforce agility: **pixelation**. Much like graphics can be broken down into pixels, each workforce can be deconstructed into smaller pieces, whether that's sub-divisions, teams, employees, or even individualized projects and tasks. By reducing the organizational silos that typically weigh down response times, pixelated workforces can move faster, make decisions more efficiently, and rapidly reallocate talent.

Many organizations are embracing pixelation to unlock capacity and empower employees to achieve their full potential. Our survey shows that this is a smart strategy; both employees and managers point to bandwidth as a limiting factor that inhibits skill-building and career development. Once work and workplaces are deconstructed into pieces, businesses will need a mechanism that enables these segments to move and organize fluidly—which is where a workforce agility platform comes into play. By pairing a talent marketplace with workforce intelligence, these platforms create a continuous loop of insight to action. Real-time data on companies, employees, competencies, aspirations, and skills provide hyper-relevant information that business leaders can use to strategically reallocate talent and unlock agility.





04 Best practices in action: today's most agile workforces

Many businesses are striving to embrace more dynamic ways of working, but few have successfully transformed into agile organizations. Yet a few pioneering innovators are already far along in their workforce agility journey.





Unlocked 65,000

hours of capacity

With more than 40 million customers relying on their financial services, <u>HSBC wanted to ensure its workforce had the capabilities needed to</u> <u>thrive in the new world of work.</u> Leaders recognized that shifting to a skills-based talent management strategy would break down silos, unlock potential, and fuel meaningful career development.

By leveraging a workforce agility platform, the leading financial institution has replaced boundaries with internal mobility and created a launching pad to prepare for the next chapter of work.

Reflecting on their journey to unlock agility, Group Head of Resourcing Hamish Nesbit says, "[Gloat] is helping us build a skills-based organization through capturing what skills employees have and what they want to learn."

45% of projects

are cross-functional

To illustrate the success of its platform, Nesbit points to the more than 65,000 hours that HSBC has unlocked.

"The reason we care about this is that it gives us two great benefits. One is it's a great sign of the times that our colleagues are investing in their own development that they're prepared to take on work. That's outside their day job to grow their own careers and skill sets. And on the other side, it's a great benefit to the organization as a whole, because we are getting work done that leaders need to deliver on." - Hamish Nesbit, Group Head of Resourcing at HSBC









\$1.4M

in savings within the first four months of launch

Two years ago, Seagate's leaders made a decision that would flip their approach to talent management on its head. The enterprise needed to pivot to achieve business resiliency during the pandemic.

Rather than hiring externally, **Seagate initiated a large-scale talent** redeployment that enabled the business to thrive without a change in **headcount.** The enterprise harnessed a talent marketplace to unlock 35,000 hours of productivity within four months.

58% of increase

in participation and assignment of women

"We were doing up to two redeployments a day, or running a redeployment and then filling these projects. And we have gotten tremendous positive feedback from our employees about the projects they have worked on." - Patricia Frost, Chief Human Resources Officer, Seagate







\$21M

in unlocked productivity

Mastercard harnessed its workforce agility platform to break down silos and bring its internal mobility initiative to speed and scale. After the enterprise's CEO encouraged all employees to step up to help colleagues during the start of the COVID-19 pandemic, the idea of a platform to facilitate the seamless exchange of talent quickly came to life.

The organization soon introduced a workforce agility platform to put people at the helm of their career progression and empower employees to pursue skill-building opportunities across the business. Mastercard even used its platform to create an NFT community devised to get employees up to speed as the organization moves into the cryptocurrency space.

93% of the executive team

is registered on their talent marketplace

To date, Mastercard has unlocked more than 100,000 hours and saved \$21 million through its internal mobility initiative.

"With Unlocked [Gloat's workforce agility platform], we can collaborate across regions and business units, uncover new ideas, challenge assumptions, and push one another to think in bold new ways. Unlocked is allowing us to open up the boundaries of our teams and expand our talent reach to ultimately grow and develop with each other."
Michael Fraccaro, Chief People Officer, Mastercard







05 Aligning managers and employees to carve a path forward

Unlocking agility is non-negotiable for businesses looking to achieve success in this next chapter. To embrace dynamic ways of working, leaders must align HR ambitions with employee expectations to blaze a trail toward future success.

Our research reveals that there's already a lot of common ground connecting what people want with what HR managers can deliver. Namely, the top priorities will be autonomy, agency, meaningful career development opportunities, and the chance to make a lasting impact on enterprise goals.

By harnessing new frameworks and built-for-change technology, your organization can devise a shared strategy for unlocking workforce agility—and in doing so, position your business as a leader in the new world of work.





To fast-track your agile transformation, ask for a demo. We have a lot of smart people who would love to explore how a workforce agility platform can take your business to new heights.

Learn more about the benefits of workforce agility:

Book a demo



