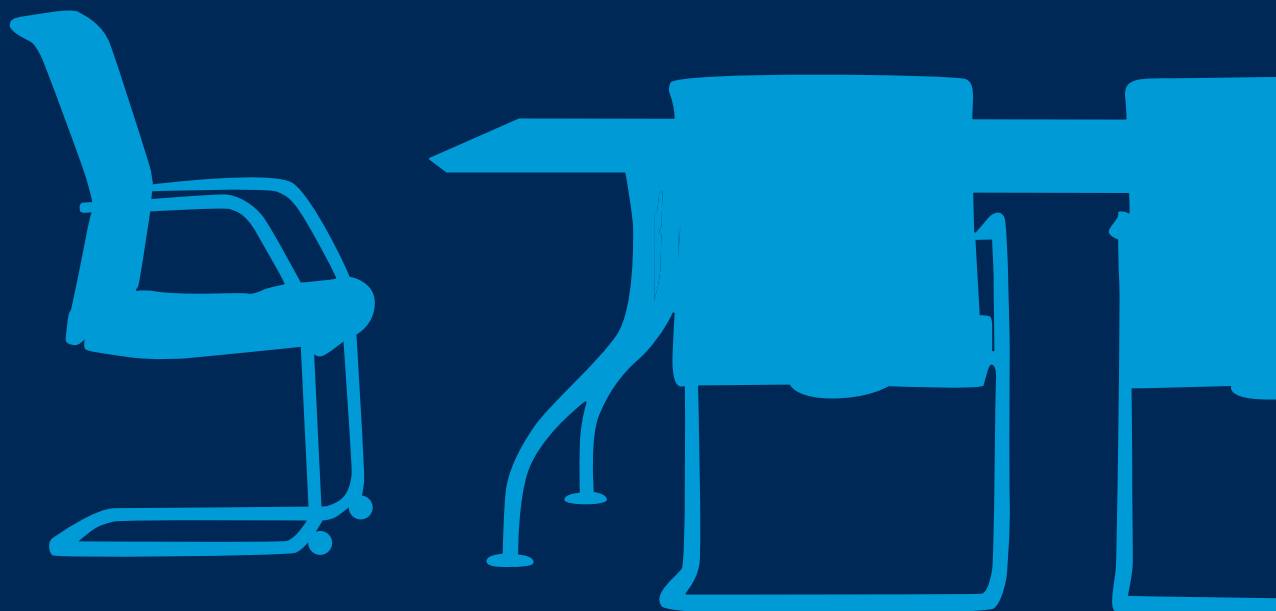


CHRO Global Leadership Board

Playbook for a New Talent Deal

Developing the
workforce of the future



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Coca-Cola (Emeritus)

Preparing for New Labor Market Realities Co-Chair



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About the board

The CHRO Global Leadership Board was formed on August 10, 2017. This board is composed of chief HR officers from the world's top organizations with expertise in HR, people management and executive leadership, and aims to play a major role in influencing and advancing the HR community.

The purpose of the CHRO Global Leadership Board is to lead a collaborative movement between the world's most distinguished and trusted CHROs. This movement is based on the core belief that peer-to-peer, cross-industry collaboration is key to optimizing individual and organizational success.

The board is led by Ceree Eberly, former Chief HR Officer of The Coca-Cola Company, and co-chaired by Kevin Cox of GE, Abbe Luersman of Ahold Delhaize and Daniel Marsili of Colgate-Palmolive.

About this playbook

This first iteration of this playbook, developed by the CHRO Global Leadership Board and Gartner, helps organizations develop their own next-generation social contracts that discard the traditional view of employees as resources, and instead place them as the driver of business success, with their expectations of work as a critical need of the business.

The playbook offers a framework that helps HR and business leaders understand the key shifts in these expectations and what they mean for future human capital strategies. These shifts are:

Aligning People and Purpose

Employees are seeking deeper, more meaningful connections with their employers. Employees desire a new experience designed around their needs, where they can share a sense of belonging with their organizations. At the same time, increasing organizational complexity requires a people strategy that understands how the workforce experiences change to identify solutions that will drive them forward with purpose.

Building Careers

As employees face increasingly uncertain careers, employability and lifelong learning must become central themes for employees and employers alike. Not only will these be necessary to help employees take greater ownership of their careers, they will also help prepare organizations for rapidly changing organizational and talent needs.

Co-Creating Change

The business environment is facing disruptions at a higher frequency and scale, quickly making many people and processes obsolete as business strategies pivot. Change management practices must evolve to create organizations that are nimble enough to lead the workforce through volatility, yet at the same time stable enough to systematically perform at scale. Only then can employees become the agents of change, rather than the passive recipients of it.

Where to start

Heads of HR and CEOs should begin by reviewing the Self-Diagnostic and Introduction on the following pages to determine — on the basis of business priorities and current capabilities — where to focus future investments. Reassess your organization's capabilities over time to ensure the key insights from all sections are covered.

As you work your way through the playbook, you may find that your organization has made significant investments in one area but has not progressed very far in another. Leverage the advice and case studies provided to evolve your people strategy and to challenge what it truly means to be a part of your organization.

Self-diagnostic and discussion guide

Use the self-diagnostic below to determine which section of this playbook you should focus on, depending on your organization's capabilities and priorities. It is recommended that you begin reading and discussing the components that are the highest strategic priority but where you do not meet the leading investment description.

	Component	Definition	Leading Investments	Priority (1 to 6)
Aligning People and Purpose	Employee Experience (Page 9)	Employees' holistic interaction with the organization's culture, people and systems, which drives employee engagement and customer satisfaction	Build end-to-end employee experiences that view employees as internal customers and deliver maximum value through personalization.	
	Purpose-Driven Organizations (Page 13)	Purpose being the driving force behind the why of decision making, and reflected throughout the organization's values, culture and actions	Act with purpose first and foremost in internal and external decision making and hold leaders accountable for adhering to the organization's purpose.	
Building Careers	Employability (Page 18)	The value of employees that make them competitive internally and in the external labor market	Nurture external relationships, emphasize the entire employee life cycle and create future-focused analytical rigor.	
	Career Partnership (Page 22)	Creating reciprocal value that improves employee career satisfaction and targets skill development around the organization's strategy	Promote career partnership internally and externally and proactively manage risks for derailment.	
Co-Creating Change	Agile Talent Management (Page 27)	People processes and practices that are able to keep pace with changing business environments and internal capability needs	Invest in systems and programs that support employees as agents of change and enable talent decisions to move at the speed of the business.	
	Employee Empowerment (Page 31)	Employees having high influence over work decisions, which improves an organization's ability to stay ahead of markets, competitors and new technologies	Hold leaders accountable for including employees in decision making and elevate employee leadership by promoting ideas based on merit.	



Introduction From the Board

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The world is transforming. Smaller, more agile competitors with new business models are disrupting entire industries; new technologies are upending traditional ways of work and rapidly putting large segments of the labor market at risk of redundancy; rising urban centers are shifting critical growth opportunities to emerging markets. These and other trends are changing the way organizations operate, and doing so at an increasing speed and scale.

In fact, 73% of business executives surveyed by Gartner believe that changes will occur faster, forcing organizations to go through restructuring, culture changes, and mergers or acquisitions, at times all at once.¹ Together, these trends will soon, if they have not already, radically transform the work that employees need to do, as well as the expectations around employment for those doing the work. In this introduction, we highlight just a handful of trends that are overthrowing traditional assumptions around how work is done and the relationship that binds employees with their employers. We then introduce the work of the board to help business leaders better navigate a path through their future.

Tectonic shifts in global demographics

- **Aging:** The world population aged 65 and over will move from three times less than those aged under 5 in the mid-20th century to three times more by 2050.² At the same time, the world's population is projected to near 10 billion by 2050. Growth is uneven, however. Japan, for example, will experience a massive "pensioner bulge" as its population ages and is projected to have a decline of 30 million, one-third of its current population size.³
- **Urbanization:** Over the next two decades, 350 million people around the world will have moved into cities, creating new megacenters of economic growth, mainly in Asia and Africa. At the same time, these cities will face mounting natural resource problems and increasing costs of environmental and human health. Some countries, however, particularly in Europe, will face stagnating or declining urban population due to low fertility and net migration.⁴
- **Migration:** The World Bank estimates that a 3% increase in the stock of migrants by 2025 could lead to a 0.6% increase in global income (or \$356 billion), more than the gains from removing all barriers to free trade.⁵ In the U.S. alone, the lack of future migration flows will lead to a net loss of 18 million working-age adults by 2035.⁶

2.3 million net-new jobs will emerge as a result of new technologies by 2020, 1.8 million existing jobs could be wiped out.⁷

New technologies disrupting everything

- Automation technologies are increasingly affordable and are putting many jobs, both labor- and capital- intensive, at risk of becoming redundant. Gartner predicts that although 2.3 million net-new jobs will emerge as a result of new technologies by 2020, 1.8 million existing jobs could be wiped out.⁸ These experiences will be different for every industry and region. The International Labor Organization, for example, suggests that more than half of workers in five Southeast Asian countries are at high risk to be displaced by automation over the next two decades,⁹ while research by Citi and the University of Oxford finds that as many as 85% of existing jobs in Ethiopia are at risk of being automated.¹⁰
- Gartner also predicts that by 2019, AI platform services will cannibalize revenue for 30% of market-leading companies, relying on a new infinitely scalable currency — data.¹¹ At the same time, all organizations can benefit from advancing their digital strategies, whether by focusing on the customer experience or by digitally transforming

the business. Gartner research shows that over two-thirds of executives agree that their companies must become significantly more digital to remain competitive.¹² This does not just apply to IT and commercial units, but to support functions such as finance and HR, which are also increasingly powered by data analytics and operate in more agile, iterative ways.¹³

Organizations that fail to think through how such trends are reshaping the way work is done and the needs of employees who do them will also fail to keep up with their competitors. The following paragraphs quantify the costs of inaction that should serve as a rallying cry for business leaders across the globe.

Competing in a digital age

- Digitalization has empowered consumers to demand better experiences from products and services. From instant access to price comparisons on mobile to job transparency on LinkedIn and Glassdoor, all companies are facing greater competition and will need to adapt by appealing to consumers in new, dynamic ways.¹⁴ Research by Gartner has shown that poor customer service has led to a loss of \$1.6 trillion in business opportunities in 2016, and that 85% of business leaders say that simplifying the customer experience will be critical to success in their market by 2020.¹⁵
- Businesses must focus on their consumers in a way that has never been realized, and this shift will force business models to radically change. Many leaders have put agility and digitalization at the heart of this strategy. In 2016, CEOs ranked technology as the overall business driver, and 77% of executive priorities were technology-dependent.¹⁶ Additionally, as two-thirds of executives agree that their companies must become significantly more digital to maintain competitiveness, Gartner expects several new management styles to emerge. Nearly half of U.K. business leaders, for example, think that their current business models will cease to exist within the next five years.¹⁷

The new war for talent

- Gartner analysis of job postings by S&P 100 companies in 2016 found that 39% of all job-posting activity focused on competing for just 29 out of 9,000 different positions, most of which require digital and analytical skills. Meanwhile, the median time to fill critical roles increased by 30 business days from 2010 to 2017, leaving one-quarter of critical roles vacant after five months. Organizations will risk massive disruptions and underperformance as talent shortages loom.¹⁸ That is why CEOs point to the lack of people capabilities as the biggest obstacle to achieving digital transformation goals.

- The undersupply of critical talent will dramatically increase the cost of acquisition strategies, and talent development

The median time to fill critical roles increased by 30 business days from 2010 to 2017.¹⁹

strategies will face increasing pressure to perform as disruptions become more frequent. A study of over 7,300 managers by Gartner has shown that 19% of skills that managers learned in 2016 were no longer relevant in 2017.²⁰ Coupled with automation risks, businesses could eventually be fighting for a shrinking pool of qualified talent, while at the same time a growing number of people will become unable to face the significant challenges of gaining, or even maintaining, industry-relevant skills. All businesses will then have to deal with the social, political and economic implications of growing inequality.

Facing a new workforce

- The United Kingdom's Office for National Statistics estimates that by 2025, millennials will make up 75% of the workforce, meaning that more generations will be working together than ever before.²¹ The U.K. is not alone in this regard. At the same time, 65% of millennials view personal development opportunities as the main driver of engagement in their current job,²² yet 70% are dissatisfied with future career opportunities at their organization.²³ Gartner research has shown that focusing on career experiences, similar to personalizing consumer experiences, can more than double employee satisfaction with their careers and loyalty to their business.²⁴ Organizations therefore face a critical opportunity to redefine the meaning and value of careers unlike ever before.
- A Glassdoor study shows that 75% of U.S. millennials expect their employers to take a stand on sociopolitical issues, and are willing to put pressure on their executives to act.²⁵ Similarly, 87% of business leaders believe that companies perform best over time if their purpose goes beyond profit.²⁶ This has clear business implications, too. Recent research by Gartner has shown that organizations with high-performing cultures can increase their employee performance by 22%, and performance against revenue goals by 9%.²⁷
- Engagement drivers are the bottom line. According to Gartner, over 65% of leaders believe that engagement is critical to driving business and talent outcomes, but 80% of heads of engagement do not believe their organization is effective at acting on engagement data to drive business outcomes.²⁸ Yet research has shown that investing in employee engagement can lead to a \$450 billion to \$550 billion increase in annual productivity in the U.S. alone.²⁹

For these reasons, the CHRO Global Leadership Board, in collaboration with Gartner, has made “developing the workforce of the future” a central pillar of the board’s mission. To achieve this goal, the board has divided its work into two distinct but inextricably linked initiatives.

The first is to create a playbook that will help business executives understand how macroeconomic, labor and social trends are affecting the very nature of work in their organization. Playbook for the Future of Work equips HR leaders with the tools to think through the external forces disrupting their organization, and how those changes affect the people needs and strategies of the business.

Research has shown that investing in employee engagement can lead to a \$450 billion to \$550 billion increase in annual productivity in the U.S. alone.³⁰

The second is to create another playbook that will help HR leaders understand how the expectations people have around employment have also changed. Playbook for a New Talent Deal will equip organizations with the resources to meet these new expectations by changing their relationship with their employees and to attract, retain and engage the talent they will need to thrive in this new world.

It would be difficult for any playbook to be exhaustive on all topics as the future of work and the relationship between organizations and their employees continue to evolve. That is why these playbooks will continue to evolve through future iterations and may, along with other work by the CHRO Global Leadership Board, cover additional topics and emerging challenges, including artificial intelligence and changing compensation models, as the workforce becomes more diversified in the gig economy.



Aligning People and Purpose

The employee-employer relationship is evolving. Employees are expecting a heightened commitment to purpose and more customizable experiences. In turn, employers have an opportunity like never before to ignite discretionary effort and become a principled employer of choice.

The two areas in Aligning People and Purpose, Employee Experience and Purpose-Driven Organizations, explore how employees interact with the organization on practical and emotional levels. They provide key insights into employee expectations and share leading-edge investments.

Understanding employee experience

Definition of employee experience

Employee experience is employees' holistic interaction with the organization's culture, people and systems. It begins with candidates' first contact with the organization's brand and continues through their exit and beyond. Traditional employee experiences are the by-product of organization-centric or job-centric design. The experience is the cumulative outcome of the application process, workplace design, reporting structure, and so on. However, a progressive employee experience views employees as customers and designs outward from their needs — shaping structure, systems and workplaces accordingly.

Why focus on employee experience

An intentional employee experience allows individuals to contribute at their highest level, creating greater value for customers and the business. There is a direct correlation between employee satisfaction and customer satisfaction, and employee experience is a key driver of satisfaction.³¹ Moreover, organizations that fail to deliver on employee expectations can face higher levels of turnover and will likely struggle to attract top talent in the new age of talent shortages. Well-crafted employee experiences treat employees as internal customers and match employees' needs with the needs of the business, creating a win-win that supports engagement and loyalty.

What employee experience is not

While the employee value proposition speaks to the organization's stated or implied promises, the employee experience reflects what employees are living. Enhancing the employee experience is not about making every employee happy or catering to their every need. It is about identifying what is important to employees and designing systems and processes around key expectations.

The implications of employee experience

For employees

- Digitalization and increasingly individualized consumer experiences are heightening employee demand for tailored work experiences.
- As work and life continue to blur, employees expect a more consumer-centric and holistic approach to their employment experience. In the same way employees don't draw a clear line between work and life, employee experience touchpoints (e.g., workplace environment, benefits and career coaching) blur together as a single experience.

For managers

- Managers should focus on treating employees as individuals and cannot apply a one-size-fits-all approach to career development or feedback. Managers who can flex their style and connect employees with others in the organization will have the greatest impact.
- Managers need to encourage employees to take advantage of policies and benefits that support employees through key moments that matter (e.g., workplace flexibility or leaves of absence).

For organizations

- As competition for talent grows fiercer, organizations with customizable employee experiences will be better able to attract and retain key talent.
- Organizations should put employees at the center of design. Traditional employee experiences are the consequence of existing systems and structure. Organizations that wish to enable employees to create the greatest value will flip the paradigm on its head, designing structure and processes around employees.



Evolving employee experience in your organization

Reflect on the questions below to diagnose your organization's current level of commitment to evolving the experience of your workforce. The diagnostic questions are presented in a maturity framework, beginning with necessary baseline investments, then progressing to leading investments that position employees as internal customers to drive maximum value.



Level 1

Necessary Investments

Support employees by optimizing essential processes such as pay, benefits and other services.

- Are our compensation and benefits competitively structured to attract the talent we need?
- Would employees say they have the resources (e.g., technology, access to information, managerial support) needed to perform in their roles?
- Have we enhanced our core HR systems to enable smooth operations (e.g., payroll, benefits administration, performance management, employee referrals)?
- How are we comparing and adjusting our compensation structure and benefit plan relative to competitors for key talent?



Level 2

Competitive Investments

Build end-to-end employee experiences that develop people for the future and increase ROI.

- How well do our policies and benefits support employees' holistic needs (e.g., employee health assistance, commuter benefits, backup child care)?
- Are we leveraging employee experience to improve return on talent investments (e.g., reducing turnover, improving productivity, lowering medical costs)?
- How well do our people management interventions enable the experience we want employees to have?
- How responsive is our organization to addressing barriers employees encounter in getting work done?
- Do our systems and processes have nimble designs so that they can be updated quickly to support the future needs of the organization (e.g., can we quickly update our benefits interface)?



Level 3

Leading Investments

Treat employees as customers with individual needs to enable them to deliver maximum value.

- Do we know the experiences that are most important to our employees, and does this align with how we allocate our budget?
- Are we enabling employees to customize their experience to their preferences (e.g., skill development, customizable benefits, adaptable workplaces, flexible policies)?
- How well does our organization focus on improving the employee experience to deliver greater customer satisfaction? Do various functions work seamlessly to deliver on those experiences that matter (e.g., HR, IT, marketing, real estate)?
- Are there any gaps between our employee experience and our employee value proposition (i.e., are we fulfilling the value promised to employees)?
- Are we segmenting our employees by more creative criteria than basic demographics to more accurately serve their needs (e.g., creating employee personas, identifying moments that matter)?



Advice on employee experience

Once you have diagnosed your employee experience framework and future investments, leverage the advice to advance your organization along the maturity framework. The key actions and guidance presented here are based on the experiences of the CHRO Global Leadership Board members and ongoing conversations with the world's HR leaders.

Key Action	Why It Matters	Leadership Guidance
Treat your employees with the same care you show your customers.	<ul style="list-style-type: none">• Attracts and retains top talent, improving ROI• Enables employees to focus on maximizing impact and driving results• Increases engagement, leading to higher discretionary effort	"HR functions and organizations typically give lip service to viewing their employees as clients or customers, but they often fall short of that goal. Organizations need to make the necessary investments to raise the standard of the employee experience to that of the customer experience."
Design the employee experience outward from employee needs.	<ul style="list-style-type: none">• Leads to greater employee satisfaction, which directly correlates with customer satisfaction³²• Demands integrated employee-centric solutions that are not one-size-fits-all but are flexible to individual employee needs	"A lot of times, the people function problem-solves within itself and rolls out products and solutions that are what the function thinks are best. Instead, the function should listen a lot more to the voice of employees. This enables you to get different points of view on what the end result should look like."
Enable individualized experiences to remain competitive.	<ul style="list-style-type: none">• Engages employees in shaping their skill and career development while meeting the needs of the organization• Supports a diverse population with differing preferences	"The needs and expectations of the workforce are changing. Employees are used to on-demand individualized experiences through services like Uber, Spotify and Netflix. Organizations need to provide that flexibility and individualization within the employee experience as well to remain competitive. You can't rely on identical development plans or benefit packages."



Employee experience in practice

The best-practice case study summaries below provide guidance on implementation and application. Gartner clients can access the full studies and advisory services on Gartner's client sites by clicking on the company names.

DBS's Customer Journey Mapping³³

[DBS Bank](#) is a multinational banking and financial services corporation headquartered in Marina Bay, Singapore. DBS Bank is the largest bank in Southeast Asia by assets and among the larger banks in Asia. The bank was also awarded the Best Digital Bank in the World in 2016 by Euromoney magazine.

At the behest of its CEO, Piyush Gupta, DBS Bank has focused heavily on redesigning the bank for the digital era. Across the organization, employees were challenged to consider the (external or internal) customer experience and how they could make that a more joyful process. For DBS's HR team, this has meant rather than applying new digital technology innovations to existing processes, they map the "customer journey" with HR to identify key pain points, and use this information to guide HR's investment in digital tools to improve the overall employee experience.

Solution highlights

- **Develop customer-centric mindsets and digital literacy skills throughout the workforce:** DBS staff, including HR, are trained on human-centered design principles and participate in immersive learning experiences aimed at exposing employees to new digital ways of working.
- **Understand the end-to-end employee experience by mapping key employee "journeys":** DBS analyzes key HR customer journeys and implements solutions to address specific customer pain points with the support of technology.

Unilever's Cultural Listening Experiment³⁴

[Unilever](#) is a transnational consumer goods company with products available in nearly 200 countries. Its headquarters are in London, United Kingdom, and Rotterdam, The Netherlands.

Under its Sustainable Living Plan, Unilever aims to better serve the environment, customers and employees; however, the organization struggled to gather employee feedback fast enough to act on it. Unilever applies the marketing concept of consumer listening to obtain culture feedback from employees faster in order to discern better insight from their comments. Using data mining and text analytics, HR leaders can monitor the culture as well as broader trends that can impact culture.

Solution highlights

- **Translate data into action:** Unilever sources and analyzes data from internal and external channels (e.g., Salesforce chatter, intranet comments, Twitter, keyword searches). The data is combined and explored using sentiment and trend analysis on open text. The analyzed data is then displayed through the employee insights dashboard, enabling leaders to take action and customize interventions.

Understanding purpose-driven organizations

Definition of purpose-driven organizations

Becoming a purpose-driven organization includes establishing a clear, shared purpose for the organization's existence and aligning internal and external decisions with that purpose. Purpose-driven organizations place the purpose as the driving force behind the why of decision making. The purpose is reflected in the organization's values, culture and actions, driving the organization's brand in the minds of customers, investors and the labor market.

Why focus on purpose as the driver of your organization

A clearly defined purpose can be an igniting force, connecting leadership, employees and customers. Energizing internal and external stakeholders around a purpose creates a self-fulfilling prophecy, leading to more rapid achievement of that purpose through unified effort. A clear purpose attracts and retains employees who are willing to go above and beyond. Employees can more readily realize their potential and drive the organization forward. In addition, purpose-based people management impacts customers' and investors' perceptions. Almost two-thirds of surveyed CHROs and CEOs agree that publicizing how their organization manages talent is becoming a bigger part of their overall public relations strategy.³⁵

What purpose-driven organizations are not

The organization's purpose is not synonymous with culture, which is the way that work gets done at an organization. Similarly, it is less tangible than the mission or value statements. Although there is no ideal purpose, consistently following that purpose can have a significant impact on an organization's reputation and drive discretionary effort of employees.

The implications of purpose-driven organizations

For employees

- Employees want to feel a connection to their employer through a shared purpose and are willing to seek other opportunities if that need is not met.
- Employees are seeing their work as a way to become well-rounded people beyond the talent sphere.

For managers

- Managers need to reinforce and role-model the values of the organization to create a clear picture of acceptable and desired behaviors.
- Managers will need to match employees with fulfilling work, creating a rational and emotional connection to the business strategy without ignoring business trade-offs.
- Managers will be tasked with helping to foster a sense of community between employees.

For organizations

- Leaders, including the board of directors and C-suite, are becoming increasingly beholden to the values of their employees and other internal and external stakeholders.
- Employers need to define a common purpose that aligns with its values, creating an emotional bond with both employees and customers.
- Leaders will need to live the purpose of the organization and ensure key decisions (e.g., mergers and acquisitions, new product lines, separation policies, and so on) align with that purpose.



Evolving into a purpose-driven organization

Reflect on the questions below to diagnose your organization's current level of commitment to purpose as a central driver. The diagnostic questions are presented in a maturity framework, beginning with necessary baseline investments, and then progressing to leading investments that align your organization around its purpose.



Level 1

Necessary Investments

Define and commit to the organization's purpose in light of future disruptions.

- Have we assessed how future disruptions in technology, demographics and employee preferences shape our purpose?
- Have we recently reviewed and updated our mission, vision and values to ensure they align with our purpose?
- Have we clearly articulated the positive impact that we are seeking to make in the world?
- How have we involved employees and customers in defining and exploring what the purpose means to them?
- Have we evaluated the competitive positioning of our organization's purpose (i.e., is it a point of differentiation)?



Level 2

Competitive Investments

Integrate your purpose in business and talent decisions while eliminating inconsistencies.

- Are we creating a shared sense of purpose across the value chain from suppliers to employees to customers? Do we evaluate our business partners based on purpose-driven criteria?
- Do we recognize and reward employees who act in accordance with our values (e.g., peer nomination processes, monetary incentives, public recognition)?
- Are we helping employees understand our purpose by translating it into everyday aspects of their work (e.g., hospital custodians who see how their actions support the purpose of delivering quality care and combating diseases)?
- How easily can employees share stories of our purpose with each other and act as ambassadors outside of our organization?
- Does our purpose extend to the roles held by nontraditional workers (i.e., contractors, part-time and remote workers)?



Level 3

Leading Investments

Act first and foremost with your purpose in mind in internal and external business decisions.

- Are we willing to turn down a potential short-term gain to uphold our purpose and align with our values (e.g., [PayPal's decision](#) to cancel its plan for a Charlotte office in response to North Carolina legislation that invalidated protections of the rights of LGBT citizens and denied this community equal rights under the law)?
- Do we welcome third parties to evaluate whether we are living up to our purpose (e.g., engaging civic organizations in assessing our corporate social responsibility report)?
- Do we advertise our purpose-driven HR policies to attract and retain talent?
- Are we actively removing barriers that impair people's ability to act in accordance with our purpose (e.g., quarterly goals that conflict with long-term orientation or cumbersome approval processes that impair responsiveness to customers)?
- Do we hold our senior leaders accountable based on our purpose?



Advice on becoming a purpose-driven organization

Once you have diagnosed your organization's purpose maturity and future investments, leverage the advice below to advance your organization along the maturity framework. The key actions and guidance presented here are based on the experiences of the CHRO Global Leadership Board members and ongoing conversations with the world's HR leaders.

Key Action	Why It Matters	Leadership Guidance
Connect with applicants and employees on an emotional level.	<ul style="list-style-type: none">• Creates above-average culture fit and increases the percentage of job offer acceptances• Strengthens your employment brand	"Rather than focusing exclusively on the practical benefits of employment, share the emotional benefits as well. Of course applicants care about their pay and vacation, but you also want them to know how they can make a difference by working with you. Paint this picture from the first interaction through onboarding."
Involve employees and customers in purpose discussions.	<ul style="list-style-type: none">• Builds organic buy-in to the purpose to boost employee engagement and customer loyalty• Creates greater urgency and ownership of change	"Understanding how employees — and even customers — view the organization's purpose is key to creating one that feels authentic and attainable. Where possible, collect real stories of how the purpose has been achieved, and then share those stories with your audience to create a deeper connection."
Capitalize on HR as PR to build a purpose-driven brand.	<ul style="list-style-type: none">• Both business-to-business and business-to-consumer organizations benefit from positive reputations and company culture	"Collaborate with your marketing and public relations teams to share HR successes, whether they be increased parental leave programs or bonuses based on demonstrating the organization's culture. Job seekers and customers will notice whether your policies and program align with your purpose."
Adhere to purpose in business decisions.	<ul style="list-style-type: none">• Corporate reputation has ripple effects for future recruitment and business ventures	"It's easy to follow your purpose internally. The real test is how your values and culture dictate how and with whom you do business. Saying 'no' to a business venture, acquisition or the like speaks volumes and drives future behaviors."
Ensure the vision, mission and values are updated and reflect the organization's purpose.	<ul style="list-style-type: none">• Further enhances the organization's purpose for being and aligns employee actions around a common, shared future	"If you are truly committed to aligning your organization from top to bottom around a purpose, you need to dust off the mission, vision and values and possibly rewrite them for consistency. Employees and customers respond to authentic alignment and will help that purpose become a reality."



Purpose-driven organizations in practice

The best-practice case study summaries below provide guidance on implementation and application. Gartner clients can access the full studies and advisory services on Gartner's client sites by clicking on the company names.

Novo Nordisk's Values Realization System³⁶

[Novo Nordisk](#) is a European pharmaceutical company, headquartered in Denmark, and a world leader in diabetes care.

Realizing that misalignment between the company's stated values and its actions would damage its credibility with employees and thus diminish its ability to attract, retain and engage talent, Novo Nordisk translates the company's values into specific behaviors and creates systems to measure and govern the organization's adherence to these standards.

Solution highlights

- **Overcome "definition risk" in values:** Novo Nordisk created an integrated charter that clearly defines specific behavior expectations for employees, managers and executives related to its values.
- **Reinforce behaviors:** Novo Nordisk actively reinforces expected behaviors by integrating its values into key HR processes and programs.
- **Designate values facilitators:** Novo Nordisk has designated senior executives as Values Facilitators, full-time positions, who actively support the values and hold leaders accountable for living them.
- **Create accountability:** The company creates accountability for living its core values through constant, open communication with internal and external stakeholders.


Johnson & Johnson's Emotional Branding Message³⁷

[Johnson & Johnson](#), headquartered in New Brunswick, NJ, is a multinational medical device, pharmaceutical and consumer goods manufacturer with over 125,000 employees.

Johnson & Johnson's employment brand had started to lose its influence in the labor market because it did not connect with potential applicants on an emotional level. Its old brand resonated rationally by conveying a sense of place and focusing on the organization. Johnson & Johnson revitalized its employment brand to clearly communicate an achievable purpose, thereby fostering a stronger emotional connection.

Solution highlights

- **Understand the purpose:** Johnson & Johnson conveys how to achieve its purpose through its credo, which comprises simple statements written in clear language.
- **Believe the purpose:** Johnson & Johnson makes the achievability of its purpose believable by personalizing it for potential applicants and demonstrating how employees achieve it in their day-to-day professional lives.



Building Careers

As career realities continue to evolve, organizations will need to work with employees to position them for success within the organization and beyond. Employees will need to take greater ownership of their futures, while organizations guide development for mutually beneficial outcomes.

Building Careers is divided into two interdependent topics — Employability, which addresses the need for continued learning and reskilling, and Career Partnership, which delves into best-practice systems and process for co-creating capabilities for the future of the organization.

Understanding employability

Definition of employability

Employability is the value of an employee that makes him or her competitive for available job opportunities within an organization and in the external labor market. This value is determined by the employee's capabilities, skills, knowledge, experiences, achievements and personal attributes. Individuals are now seeking out and prioritizing organizations that can improve their employability.

Why focus on employability

Organizations can no longer rely on labor markets to fill their talent needs as critical skills become too expensive to acquire. Organizations will struggle to compete for this talent pool and, therefore, need to invest internally in their existing workforce's employability. This commitment to employability is a two-way street. Unpredictable careers are driving employees' needs for greater employability, and top talent may leave an organization if it doesn't share in this commitment. The disappearance of lifelong employment models, the flattening of organizations, and changes in technology that eliminate and reshape roles are all pressuring employees to continuously learn and reinvent themselves. By some estimates, nearly 45% of activities that workers are paid to perform today can be automated using existing technologies.³⁸ To remain competitive, employees need to become their own talent agents and create agile roadmaps of success.

What employability is not

Employability is not about organizations actively pushing employees to seek jobs elsewhere or increasing the likelihood that employees leave. In fact, employability creates employee loyalty. Research by Gartner shows that employers that focus career strategies on employability have employees who are significantly more satisfied with their careers, and are more likely to stay at the organization longer.³⁹

The implications of employability

For employees

- In a world of career lattices rather than ladders, employees are questioning what careers they want and will more proactively raise questions around employability to managers as they seek guidance on new career possibilities.
- Job candidates will evaluate potential employers based on how well they deliver — and don't just promise — employability. Access to employee review sites like Glassdoor enables candidates to make even greater demands and heightens the competition between employers.

For managers

- Managers must refocus career conversations away from narrow, linear options to coaching their employees on opportunities across and outside the organization.
- Managers' future success will increasingly depend on how well they find and share talent across functions and geographies to achieve objectives. At the same time, manager incentives for sharing talent must compensate for short-term performance costs to prevent talent hoarding.

For organizations

- Employers need to invest in updating people management systems and processes to demonstrate genuine commitment to employability without creating undue risk to business objectives through greater regrettable employee turnover.
- Organizations need to determine how to be more transparent in communicating a range of issues that influence the perceptions and reality of employability among the workforce, from career paths to compensation/remuneration.



Evolving employability in your organization

Reflect on the questions below to diagnose your organization's current level of commitment to evolving the employability of your workforce. The diagnostic questions are presented in a maturity framework, beginning with necessary baseline investments, then progressing to leading investments that transform your organization into an "employer of choice."



Level 1

Necessary Investments

Make a credible, shared commitment to employability in people management decisions.

- Have we created a shared responsibility by helping employees understand labor market realities and the need to continuously learn and nurture a portfolio of skills?
- What is our commitment to helping employees understand and communicate their internal market value through performance and development experiences?
- Have we sufficiently embedded employability into our recruiting processes (e.g., updating job descriptions and employment brand messaging, training recruiters against bias, promoting nontraditional career moves)?
- Have we developed rotational and high-potential leadership development programs at multiple levels of the organization?



Level 2

Competitive Investments

Embed employability into all relevant people management processes.

- How well do our skills training and development opportunities prepare employees for roles in different job families across the organization?
- To what extent is employability considered in our people management systems and processes (e.g., compensation and benefits, training programs)?
- Are we communicating employability success stories to help employees see linkages between employability and viable careers?
- How prepared are managers to help employees understand and articulate their value, both internally and externally?
- How transparent are we at explaining compensation decisions and where employees stand internally and relative to the market?



Level 3

Leading Investments

Maximize lifelong learning and nurture external partnerships to fully deliver on employability.

- Do all employees have access to opportunities to continuously learn and develop? Are we addressing how employability is experienced by different parts of the workforce, particularly between our most- and least-skilled employees?
- How are we leveraging external partnerships to increase employability and the knowledge of our workforce (e.g., externships with other organizations, pro bono work)?
- Do we have support systems that allow employees whose positions are at risk of automation or redundancy to find employment outside the organization (e.g., hosting career fairs when restructuring, providing outplacement services)?
- Do we have processes that support an analytical rigor that looks ahead at the skills and knowledge needed in the future?



Advice on employability

Once you have diagnosed your organization's employability framework and future investments, leverage the advice and resources below to advance your organization along the maturity framework. The key actions and guidance presented here are based on the experiences of the CHRO Global Leadership Board members and ongoing conversations with the world's HR leaders.

Key Action	Why It Matters	Leadership Guidance
Remove barriers to talent sharing across the business.	<ul style="list-style-type: none">• Opens more opportunities for growth across the organization, increasing overall retention of talent• Increases employee loyalty and career satisfaction	"It's easy to tell people managers that they should let go and help their employees switch roles in the organization if that's what's right for them, but managers will continue to hoard talent to avoid hurting their own performance. Help them help the business — otherwise, this will just be empty HR talk."
Ensure incentives reflect your promise of employability.	<ul style="list-style-type: none">• Incentivizes flexible career paths within the business• Builds competition for better people management to attract internal talent	"If you say one thing about employability, but your incentive system says something else, employees won't buy into your promise that anything has really changed. This will probably be one of the most difficult tasks to transforming careers in your organization."
Emphasize a forward mindset of continuous evaluation and lifelong learning.	<ul style="list-style-type: none">• Creates a shared responsibility to prepare for future disruptions• Encourages employees to be agile and engaged with the changing market value of their skills	"As employers, we have a responsibility to look ahead at the future. We have to understand how automation, AI and the changing nature of work will impact our employees. Employees might be too scared to face these realities on their own. We need to show them what the impact will be, how we are addressing it and what their role is in developing their portfolio of skills."



Employability in practice

The best-practice case study summaries below provide guidance on implementation and application. Gartner clients can access the full studies and advisory services on Gartner client sites by clicking on the company names.

LinkedIn's "Tours of Duty"⁴⁰

[LinkedIn](#) is a social networking service owned by Microsoft that specializes in business and employment networking. It has over 500 million members in over 200 countries.

LinkedIn took the military concept of "tour of duty," which refers to a specific assignment for a certain period of time, and applied it to a new-in-kind pact with employees that builds trust and commitment to employability. When a tour is over, both sides can agree to renew or end the agreement, in which case LinkedIn helps the employee find a job elsewhere. At the outset, LinkedIn promises to clearly define the role and its expectations, and agrees to help the employee advance his or her career, either internally or externally. In return, employees agree to maximize their performance during the time of each tour.

Solution highlights

- **Build employment agreements that demonstrate a credible commitment to employability:** LinkedIn explicitly communicates this pact with employees for many, but not all, roles, setting expectations for performance, development and career progression.
- **Apply to optimal employee segments that are project-based with clearly defined impact:** LinkedIn targets the tour of duty concept to 1) roles that required little organizational knowledge, 2) employees who prefer short assignments and 3) roles with clearly defined impact on the organization.

Statoil's Leadership Renewal KPI⁴¹

[Statoil ASA](#) is a multinational oil and gas company headquartered in Norway and operating in 36 countries. It ranks 51 on Forbes' Global 2000 list.

Low executive turnover at Statoil was a key driver of unwanted attrition and prevented HR from developing a robust talent pipeline. Recognizing its success at facilitating lateral moves across business areas, Statoil decided to focus on creating new leadership opportunities for rising talent by including a leadership renewal key performance indicator (KPI) in its balanced scorecard to drive desirable churn and progression opportunities.

Solution highlights

- **Focus leaders on creating career progression opportunities:** By including a leadership renewal KPI in the corporate balanced scorecard, Statoil draws attention to the need to ensure access to development opportunities for rising talent.
- **Drive leadership renewal activities through leader accountability:** By holding senior executives accountable for leadership bench renewal, Statoil changes the focus from tackling "blockers" individually to making it an automated, organizationwide approach.
- **Increase acceptability of nontraditional moves:** Statoil's values-based culture prepares employees to expect downward and sideways moves, knowing that the organization will continue to fairly invest in their development.

Understanding career partnership

Definition of career partnership

Career partnership aligns employee interests with organizational capability needs. This partnership creates reciprocal value that improves employee career satisfaction and targets skill development around the organization's strategy. Career partnership is about designing systems, processes and organizational support that co-create careers to meet business needs. While the Employability section in this playbook focuses on joint accountability for skill development, the Career Partnership section emphasizes the structures needed to build mutually beneficial careers through partnering with employees, alumni and the nontraditional workforce.

Why focus on career partnership

Gartner research indicates that 70% of employees are dissatisfied with future career opportunities at their organizations, and lack of career opportunities is the most common reason for leaving an organization.⁴² Employee dissatisfaction combined with the internal capability shortage predicted by HR leaders necessitates investments in career partnerships to retain and attract top talent.⁴³ Organizations need to shift the employee mindset from promotion-focused careers to growth-focused to retain top talent. A growth-focused career calls for a shared responsibility in shaping future opportunities and developing skills for the success of the organization. Without career partnerships, organizations are leaving it to chance whether employees develop the skills and abilities required for business success.

What career partnership is not

Career partnership is not about creating a paternalistic relationship between employers and employees. Conversely, employers should not leave employees to fend for themselves in developing their careers. The partnership requires involvement from management in educating employees and understanding their needs. Likewise, employees should direct their growth to meet the future needs of the organization.

The implications of career partnership

For employees

- Employees are seeking support from employers to achieve their career aspirations, and they are willing to change organizations if their aspirations cannot be realized.
- Employees desire a clearer picture of internal growth opportunities and how lateral moves can build skills, signaling real career progression.
- Employees will need to take accountability for their growth-focused careers and help pave their path in the organization and beyond.

For managers

- Overemphasizing employee ownership in their careers can leave managers frustrated with trying to fulfill employees' unrealistic expectations (e.g., advancing too quickly or moving to a position that does not meet business needs).
- Managers need to be more transparent and take on the role of career coach, providing a realistic picture of an employee's career potential within and outside of the organization.

For organizations

- Employers should evaluate and address career barriers for lateral and vertical mobility (e.g., career risk triggers, limited management opportunities or talent hoarding).
- Organizations need to create structures that help motivate employees with careers focused on growth rather than promotions.
- Organizations need to predict and assess the future of work and commit to reskilling employees. Organizations cannot bet on finding the skills of the future in the talent marketplace — they must build them internally.



Evolving career partnership in your organization

Reflect on the questions below to diagnose your organization's current level of commitment to evolving career partnerships with all workers, including current employees, applicants, organizational alumni and contingent workers. The diagnostic questions are presented in a maturity framework, beginning with necessary baseline investments, then progressing to leading investments that transform your organization by removing barriers to career partnership.



Level 1

Necessary Investments

Get managers and employees talking about and committed to career partnerships.

- Have we helped employees and managers understand the urgency of continuous learning to prevent complacency?
- How does our performance management framework drive career conversations?
- Do employees have easy access to openings through job boards, networking or internal job fairs?
- Do we have the right mix of internal placement and external hiring based on our business objectives?
- How are we educating hiring managers on the benefits of selecting internal applicants?
- Do we have data and analytical capabilities to measure the cost benefits of hiring externally versus internally across all levels of the organization?



Level 2

Competitive Investments

Promote internal mobility by changing talent management processes and mindsets.

- Are managers willing to share talent and encourage employees to pursue internal opportunities?
- Are we creating a culture that values experiential growth over titles and promotions?
- Do our career paths help individuals to identify gaps between current skills and those required for future roles and create long-term plans to close them?
- How do we facilitate the exchange of talent across the organization and create growth (e.g., talent exchange committees, high-potential development committees, information sharing between managers)?
- Do we have policies and programs that support employees' future success as they consider re-employment at a later date (e.g., coaching, recommendation letters)?



Level 3

Leading Investments

Proactively manage risks that derail career partnerships.

- Do we understand employees' career risk triggers, and are we proactively addressing them (e.g., changes in management, extended tenure in a role or other instances that cause career satisfaction to drop)?
- How are we positioning the organization as a critical component of individuals' lifelong careers through alumni ecosystems and the fast-tracking of boomerang employees back into the organization?
- How are we addressing barriers to upward mobility for rising talent and conflicting demands for leadership roles (e.g., opening up key development roles or moving employees laterally when they have reached their potential but are still adding value)?
- How do our processes and systems help us anticipate future business needs and employee aspirations to enable strategic workforce planning?
- Are we cultivating career partnerships contingent workers and the gig economy?



Advice on career partnership

Once you have diagnosed your organization's career partnership framework and future investments, leverage the advice and resources below to advance your organization along the maturity framework. The key actions and guidance presented here are based on the experiences of the CHRO Global Leadership Board members and ongoing conversations with the world's HR leaders.

Key Action	Why It Matters	Leadership Guidance
Build knowledge of the skills and experiences needed for success.	<ul style="list-style-type: none">• Enables employees to focus their development in areas that matter to the business• Creates a more flexible development model that is not tied to specific roles and career paths	"Leverage talent management systems and equip supervisors with information to help employees understand the skills that are needed to be successful rather than the checkbox roles they need to attain. There's no guarantee those roles will still exist by the time they reach them. Skills, however, are more flexible and help employees to develop in their roles."
Proactively manage talent hoarding.	<ul style="list-style-type: none">• Prevents careers of high performers from stalling• Helps motivate and retain top talent by providing diverse opportunities	"Managers need to understand that talent belongs to the entire business, not to one specific function, unit or even country. Setting clear expectations on talent sharing and then holding people accountable is key for healthy internal mobility."
Emphasize careers around growth, not promotions.	<ul style="list-style-type: none">• Aligns employee expectations with the reality of flatter organizations, improving retention of employees with high career aspirations	"Realistically, you can't rely on promotions to motivate employees or indicate that they are progressing in their careers. Instead, leaders should cultivate a culture of growth that views each employee as the owner of a portfolio of skills. Managers need to discuss how employees can further develop the strengths and close gaps in their portfolios."
Help employees understand internal opportunities and their career potentials.	<ul style="list-style-type: none">• Pushes employees toward exploring internal career opportunities• Improves clarity of career possibilities, increasing employee satisfaction	"Managers are often worried about having frank discussions with employees about their career possibilities. This is true for employees who are high flyers or low performers; however, these discussions are key for the long-term talent health of an organization. Helping employees to see where their skills are valued and whether they align with the future of the organization can facilitate needed job changes or even separations."



Career partnership in practice

The best-practice case study summaries below provide guidance on implementation and application. Gartner clients can access the full studies and advisory services on Gartner's client sites by clicking on the company names.

Arrium's "Manager Once Removed" Talent Brokers⁴⁴

[Arrium Limited](#) is an international diversified mining and materials company with three business segments: Arrium Mining, Arrium Mining Consumables and Arrium Steel.

Arrium found that direct managers were struggling with their career management responsibilities because of limited cross-organizational visibility and a focus on team, not organizational, performance. In response, in 2007, Arrium improved the broader conversation about employees and their careers by elevating career responsibility to the "manager once removed" (MOR), who has greater visibility of the organization's talent portfolio.

Solution highlights

- **Split responsibility between manager and manager once removed:** Arrium splits responsibility for performance and career development between the manager and the MOR.
- **Conduct organizational reviews led by MORs to broker internal moves across the organization:** MORs lead annual organizational reviews to share their assessment of potential and ensure internal development moves are acted on.

HCL Technologies' Social Career Navigation System⁴⁵

[HCL Technologies Limited](#) (HCL) is an Indian IT services company with operations in 31 countries, offering services including software consulting, engineering and R&D, and business process outsourcing. HCL is among India's top 20 largest publicly traded companies.

HCL wanted to ensure that employees could leverage its numerous internal career opportunities to prevent losing them to the market and having to hire candidates with similar skills at a higher cost. HCL developed a new social career navigation framework — Career Connect, hosted in its in-house social media portal called "meme" — that guides employees to future opportunities and develops the skills the organization needs.

Solution highlights

- **Preidentify aspirations and development steps with counselor support:** HCL's career system is driven by employees' aspirations, which are reality-checked and informed by mentors and experts that employees select via a drop-down menu on their Career Connect page.
- **Push job opportunities to employees based on their aspirations:** Business units target employees with relevant aspirations for specific positions to meet their urgent skill needs.
- **Direct employees toward aspirations required by the business in the longer term:** By marketing growth areas and needed skills, HCL encourages employees to develop skill sets that align with future business objectives.

A high-angle photograph showing several people's hands and arms as they work together at a table. One person is pointing at a document with a pen, while others are looking at a laptop screen displaying various charts and data. The scene is dimly lit, with the primary light source coming from the laptop and overhead ambient light.

Co-Creating Change

To keep pace with rapidly changing business strategies and needs, organizations will need to partner with employees to support nimble decision making and agile talent development. Organizations and employees will face the challenge of performing consistently at scale while continuously challenging assumptions and ways of doing work.

Co-Creating Change, divided into Agile Talent Management and Employee Empowerment, focuses on creating talent management that enables continuous improvement and investing in practices that place employees in the driver's seat of change.

Understanding agile talent management

Definition of agile talent management

People management agility is an organization's adaptability to keep pace with changing business environments and required internal capabilities. High people management agility means that organizations develop agile processes and enable employees to flourish in an ever-changing context.

Why focus on agile talent management

In a recent Gartner benchmark of over 250 HR leaders, agility was rated in the top 10 emphasized values.⁴⁶ Internal changes and external factors, including demographic shifts and rapidly advancing technology, create the need for organizations and the work performed in those organizations to continuously evolve. Because of the scarcity of agile individuals who can adapt to the changing environment, organizations should instead focus on creating agile talent management processes to meet tomorrow's challenges. Organizations that invest in agile processes are more successful in developing future leadership than organizations that focus on attracting and identifying agile talent.⁴⁷ To proactively position for a future where the needed roles and skills are difficult to define, organizations need to embed agility throughout. They should create nimble, responsive processes that help employees develop and position the organization to identify future leaders as needs evolve.

What agile talent management is not

Although agile employees do tend to outperform the less agile, they are only 10% of the workforce by some estimates.⁴⁸ Striving for a 100% agile workforce, or even a fully agile leadership team, is an unattainable goal. Rather, organizations should embed agility in culture, systems and processes to meet future demands.

The implications of agile talent management

For employees

- As work becomes more matrixed and interconnected, employees need to see how their work and roles support the organization's goals.
- Employees require coaching and nimble processes to keep up with the pace and quality of change within their organization and industry.

For managers

- Managers need to help guide employees through increasingly complex organizations, processes and networks.
- Managers need to embrace transparency and help employees see what skills are needed for the future of the organization and their careers to ensure employees are developing the right capabilities.
- Managers should facilitate opportunities for peer-to-peer education to promote just-in-time learning and increase the speed of knowledge transfer.

For organizations

- Employers will need to proactively define agility within their organizations, driving the needed leadership behaviors and creating the right infrastructure and environment to enable greater agility.
- To keep up with the changing business context, employers need to create flexible criteria to identify future leaders. Moreover, as future leadership needs change, the profile of high-potential employees should change as well.



Evolving agile talent management in your organization

Reflect on the questions below to diagnose your organization's current level of commitment to evolving people management agility. The diagnostic questions are presented in a maturity framework, beginning with necessary baseline investments, then progressing to leading investments that enable talent agility to move at the speed of the business.



Level 1

Necessary Investments

Communicate expectations of the need for continuous change and experimentation.

- Do we encourage employees and leaders to challenge the way teams operate and how work gets done?
- Do we reward employees who take risks even when they do not work out? Do we see failure as an essential component of lifelong learning?
- Are we setting expectations with employees about agility through people management processes (e.g., rewards and recognition, performance measures)?
- Are we communicating to employees in a way that coaches them to be agents of change?
- What can we learn from the parts of the organization that are most agile, and how can we recreate it in other parts of the business?
- Are we empowering our managers to evaluate employees on the capabilities and criteria they find most important?



Level 2

Competitive Investments

Create talent support systems that enable employees to be agents of change.

- How are we motivating people to focus on the future and experiment with different ways of creating value (e.g., formal recognition, monetary incentives, evolving responsibilities)?
- Do we have systems and processes that create cross-silo collaboration to more efficiently match employee needs and abilities with job openings?
- How are we facilitating collaboration and information sharing across silos through investments in work processes and technology?
- Are we providing people managers an effortless experience when interacting with HR services, improving their decisions around talent? What information, platforms and consultative experiences are we providing?



Level 3

Leading Investments

Maximize agility by creating people management systems that move at the speed of business.

- Do we proactively direct career conversations as business priorities and capability needs evolve (e.g., creating development discussion guides to prepare for a new market, communicate skills needed when executing a merger or hold development conversations at the start and end of projects)?
- Have we created a nimble HR function that is able to partner with the business, quickly tackle issues and form flexible project teams?
- How are we leveraging nontraditional growth opportunities (e.g., role redesign, internships, short-term project work, cross-functional teams)?
- Do we have systems that support just-in-time coaching and feedback support (e.g., online modules, wikis, subject-matter expert lists)?
- What continuous listening strategies has our HR function deployed to anticipate changing needs across the organization? Are the data or processes we use to collect this information continuous, predictive and inclusive of the concerns of different stakeholders?



Advice on agile talent management

Once you have diagnosed your people management agility framework and future investments, leverage the advice below to advance your organization along the maturity framework. The key actions and guidance presented here are based on the experiences of the CHRO Global Leadership Board members and ongoing conversations with the world's HR leaders.

Key Action	Why It Matters	Leadership Guidance
View employees as drivers of change, not subjects to be changed.	<ul style="list-style-type: none">• Taps into the knowledge of frontline employees to create more impactful change• Empowers employees to proactively adapt to a changing environment	"Change is typically cascaded from the top down, making employees feel like they are being hit with a tidal wave. Leaders should instead communicate how employees can become agents of change, making them active and engaged in the process."
Make feedback an ongoing process, not a one-time event.	<ul style="list-style-type: none">• Helps employees to learn quickly and better address customer needs• Supports a culture of continuous improvement where change is expected	"Feedback from supervisors, peers and direct reports should be continuous and part of the culture. Employees need to feel a sense of urgency to keep developing. One option to support this is to invest in user-friendly, computer-based tools, like apps or social networking platforms."
Evolve performance management and employee evaluations as the context changes.	<ul style="list-style-type: none">• Enables development to keep pace with changing business needs• Creates an organization that focuses on future needs, rather than meeting defined evaluation criteria	"Most HR leaders have had the experience where the minute you finish defining performance evaluation capabilities, they're out of date. Giving flexibility to evaluators to redefine or add new capabilities based on their specific context helps keep reviews relevant and make leadership identification more nimble."
Show connections between strategy changes and careers.	<ul style="list-style-type: none">• Creates a workforce that is better able to tackle future challenges• Motivates employees to develop needed skills for future talent health	"Help your employees understand how their work and skills support the future of the organization, and don't stop at the leadership level. Communication channels are key to creating a responsive and proactive workforce, and help employees determine what skills to develop."



Agile talent management in practice

The best-practice case study summaries below provide guidance on implementation and application. Gartner clients can access the full studies and advisory services on Gartner's client sites by clicking on the company names.

Cargill's Everyday Performance Management⁴⁹

Cargill is an international producer and marketer of food, agricultural, financial, and industrial products and services. Founded in 1865, 60% of Cargill employees live and work in developing countries.

To enable the most effective manager and employee behaviors, Cargill rethought its performance management approach.

Solution highlights

- **Redirect manager time from compliance to ongoing performance conversations:** Cargill minimizes compliance-related aspects of the formal performance management system to focus manager time on everyday performance management behaviors.
- **Shift conversation focus from feedback only to asking questions and listening:** Cargill builds manager capabilities to focus on asking questions and listening during ongoing performance conversations.
- **Ensure frequent conversations by establishing manager accountability for outcomes, not activities:** Cargill increases the frequency and quality of performance conversations by holding managers accountable for the outcomes of performance activities and the value created for employees, not just their occurrence.

IBM's Just-in-Time Coaching and Feedback Support⁵⁰

IBM is one of the leading global technology and innovation companies in the world, headquartered in Armonk, NY. As a globally integrated enterprise, IBM operates in more than 175 countries and is No. 32 on the 2017 Fortune 500 list.

As part of a performance management and culture transformation at IBM, L&D realized that employees needed robust support for incorporating peer coaching and development into their day-to-day workflows. Rather than trying to create new employee behaviors or processes, IBM considered the work contexts and behaviors of tech-savvy employees to create support tools that slot easily into their existing work.

Solution highlights

- **Offer self-service "Express Lanes" for feedback:** While most organizations require employees to use formal channels to give each other feedback, IBM makes it easy for employees to give and track in-the-moment feedback during work through their ACE app.
- **Push just-in-time guidance for feedback:** IBM goes beyond simply encouraging employees to give peer feedback, instead reminding and guiding employees how to give good in-the-moment feedback via an app.
- **Build an Accessible, Flexible Coaching Marketplace:** Rather than relying on a manager's network to create coaching connections, IBM leverages the wealth of skills across the entire organization by creating an easy-to-use, enterprisewide coaching connections platform.

Understanding employee empowerment

Definition of employee empowerment

Employee empowerment is increasing the degree of ability, responsibility and influence of employees over decisions that relate to their work. Empowerment can often occur by giving employees greater autonomy, but can also be done by creating tools, processes or environments that enable better performance of individuals and teams.

Why employees expect greater empowerment now

Empowerment provides a distinct competitive advantage as organizations are under increasing pressure to stay ahead of markets, competitors and new technologies. More than two-thirds of change initiatives at organizations fail; however, leading organizations can increase their probability of successful change by as much as 24% by empowering employees in the change process.⁵¹ Organizations that empower employees to do what is right for customers have more engaged employees and customers, leading to a potential boost in performance-based business outcomes.⁵² In addition, skilled workers are now demanding greater autonomy in decision making. This convergence of business needs and employee expectations is forcing organizations to shift decision making down the hierarchy in favor of agility while facing the challenges of scale, such as in goal alignment and collaboration.

What employee empowerment is not

Empowering employees is not something that improves the inherent capabilities of individuals. It is also not about giving individuals full autonomy. Rather, it is the provision of tools and removal of barriers that enable an employee to perform better than what the working environment currently allows him or her to do while remaining aligned with organizational goals and feedback systems on performance.

The implications of employee empowerment

For employees

- Employees have more information about the business and its customers than ever before, while leaders have become increasingly distant with hierarchy. Executive decisions that don't take into account employees' often-clearer understanding of customer needs creates job dissatisfaction, reduces organizational agility and leads to losses in opportunities for growth.
- Employee expectations have transformed alongside changes in consumer behaviors; employees want work experiences more personalized to their needs (i.e., flexible work arrangements) that if not in place can drive disengagement and unwanted turnover.

For managers

- Managers need to provide employees greater independence by shifting from a direct, process-oriented instructor to a flexible coach and mentor.
- Manager performance will increasingly depend on being able to connect employees to the people and resources they need to do their jobs with periodic calibrations rather than an "always on" management style.

For organizations

- Employers will increasingly compete for employees' time and therefore must adapt to individual employee needs to reduce the opportunity cost of work.
- Organizations will need to balance employee empowerment through autonomy, personalized work styles and policies, with scaling challenges such as goal alignment, collaboration and communication.



Evolving employee empowerment in your organization

Reflect on the questions below to diagnose your organization's current level of commitment to empowering employees in your workforce, and identify the next set of investments you should make to enable better business performance. The diagnostic questions are presented in a maturity framework. They begin with necessary baseline investments, moving to investments that increase your organization's performance by fostering collaboration across the enterprise, to investments that will lead to an idea meritocracy through greater collaboration across the organizational hierarchy.



Level 1

Necessary Investments

Encourage greater transparency and collaboration to mobilize employee performance.

- How do we ensure employee views are incorporated into decision-making processes? How large is the average hierarchy gap between the most senior and most junior person in each executive meeting?
- How are teams enabled to overcome barriers preventing them from working across silos? How often and independently can junior staff assemble into project-based teams that cut across multiple functions?
- Does the current level of transparency around executive decision-making processes lead to greater uncertainty and misalignment down the line?
- How well do leaders trust their teams to make business decisions without the leader's involvement?



Level 2

Competitive Investments

Hold leaders accountable to employees' experiences in decisions, practices and policies.

- How well do current work policies and practices take into account the work needs of different employee segments; are they fair? Does HR understand how different employees experience or use these policies?
- Are our leaders held accountable to the views of their employees in leader performance assessments? How are leaders held accountable for developing critical talent for the business, rather than just their own teams?
- What systems, processes and tools are we providing the organization to ensure employees understand organizational goals and developments? Have we challenged why we hold certain information away from employees?
- How well and often are frontline employees able to challenge leaders on decisions before they are made? Do business leaders interact with frontline staff on an ongoing basis in some manner?



Level 3

Leading Investments

Elevate employee leadership to promote ideas based on merit rather than tenure or title.

- What barriers exist for employees to experiment with new ideas, and for those new ideas to quickly escalate to business leaders based on merit and potential?
- Are tools, training and other guidance that enable leaders to perform also available to managers and employees who need them? Have we challenged the assumptions behind why certain resources are limited to leaders?
- How effective are our systems of collecting, assessing and incorporating feedback into the strategic decisions of the business? Do these systems operate continuously and passively, requiring little to no effort by employees?
- What priorities do people managers have in the business — are they supposed to be "always on," or do they prioritize connecting employees with the people and resources they need to do their jobs autonomously? What other resources do employees have to connect with others to meet their work needs?



Advice on employee empowerment

Once you have diagnosed your employee empowerment framework and future investments, leverage the advice below to advance your organization along the maturity framework. The key actions and guidance presented here are based on the experiences of the CHRO Global Leadership Board members and ongoing conversations with the world's HR leaders.

Key Action	Why It Matters	Leadership Guidance
Put ideas first, expertise second and titles last.	<ul style="list-style-type: none">• Reduces unknown risks and “groupthink” in decision making.• Overcomes organizational politics among executives	“Our organization recognizes that the best ideas can come from anywhere, and we attract great talent because having a higher title doesn't mean that person has the best idea. It might take more time to hear from more people, but the solution is going to be so much more robust, and it's going to be adopted faster because we're embedding the change management at the front end.”
Connect your employees, don't manage them.	<ul style="list-style-type: none">• Enables employees to upskill and collaborate across the enterprise• Replaces time spent managing with time spent knowing the business	“Our organization has become so complex that it feels like we are in the way of performance. We need to realize that the value our organization creates comes from the interaction of networks of people that cut across silos. We need to embrace connectivity by giving employees the tools and guidance they need to perform.”
Give credit to new ideas and experiments, especially for those that fail.	<ul style="list-style-type: none">• Spurs innovation and skills development of frontline employees• Increases organizational agility to respond to changing customer needs	“The side effects of our goal-setting strategy is that there is newfound employee freedom. Employees have set out for their manager what they're going to achieve, how they're going to do it, what's going to get in their way and how they're going to measure performance. The manager can then just say, ‘Fantastic, let me know how I can help,’ and the employee can go off and execute on it. By giving our employees a north star, they are free to test and experiment.”
Institute a decision-making framework to drive faster decisions at the right level.	<ul style="list-style-type: none">• Provides clarity on decision-making authority and creates a sense of comfort to act• Allows decisions to be made at the right time by the people closest to the decision	“Develop and communicate a simple decision framework to help employees and managers know who has the authority to make the call. Having a simple guide lets your people focus on getting to the right solution rather than worrying about if the right person has signed off.”



Employee empowerment in practice

The best-practice case study summaries below provide guidance on implementation and application. Gartner clients can access the full studies and advisory services on Gartner's client sites by clicking on the company names.

Red Hat's Open Decision Framework⁵³

[Red Hat](#) is a software company headquartered in Raleigh, NC, that specializes in open-source software products, the most well-known of which is Red Hat Enterprise Linux.

Red Hat created the Open Decision Framework to ensure all decisions were made inclusively. This slow, and sometimes even painful, decision-making process leads to more effective and faster results because it avoids poor decisions and speeds up execution.

Solution highlights

- **Create inclusive, transparent principles to determine who should be in the decision-making process:** Leaders ask questions such as “Who would be surprised by this” to determine who to include. By avoiding common aspects like tenure, leaders cut across the hierarchy and expanded their visibility into how the organization works.
- **Use a varying scale of employee involvement:** Leaders have discretion over employee involvement based on various constraints, such as impact of decision, time, expertise and legal considerations. Also, leaders make sure they are transparent with information and how the decision will impact the business, and create a safe environment for employees to speak up.
- **Have employees hold leaders accountable for open decisions:** Employees are taught Red Hat's Open Decision Framework, holding leaders accountable to inclusive decisions.

Liberty Mutual's Change Conversations⁵⁴

[Liberty Mutual](#) is an international diversified property and casualty insurance provider that offers personal and business insurance. Its headquarters are in Boston, MA.

During a time of high-volume change, Liberty Mutual discovered its top-down communication made employees feel like changes were happening to them, and did not effectively promote engagement and feedback mechanisms. In response, Liberty Mutual rolled out training and support to create employee-driven conversations to help them translate change as it applies to their personal context and take control of actions moving forward.

Solution highlights

- **Identify employees' fears and assumptions to drive change ownership:** Liberty Mutual organizes workshops for employees to discuss their emotional responses to change and transform their normal feelings of nervousness into a sense of control.
- **Provide questions to help employees personalize change actions:** Question-based action plans instead of to-dos dictated from the top help employees think through the personal implications of change and drive productive change dialogue. Employees are then able to action-plan in a productive manner, and feel part of the change rather than being victims of it.

Appendix

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