

Special Webcast

# The Workforce of the Future is Built on a New ROI

August 3, 2021



# Some of the critical questions and issues we will be answering today

- Deeper understanding of the perfect storm changing the world of work
- Ways to build a culture of learning and mobility in your organization
- How to invest in a talent mobility strategy that works
- Ways to successfully implement redeployment strategies



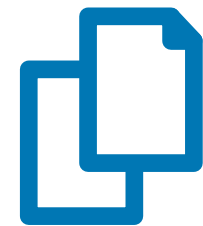
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(via the Q&A box )

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# Today's Speakers

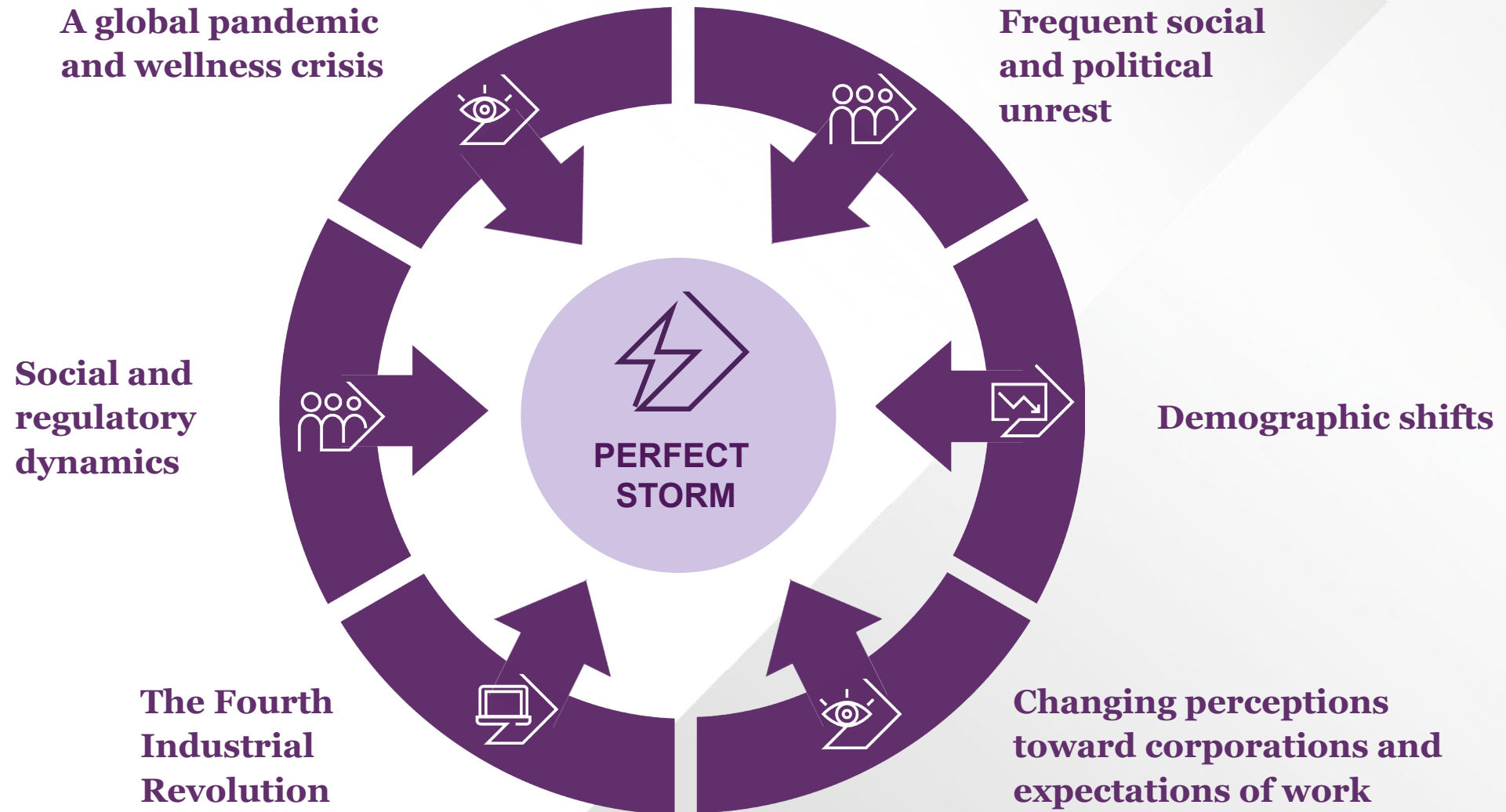


**Dr. Mary-Clare Race**  
Chief Innovation and  
Product Officer  
*LHH*



**Francine Parham**  
**(Moderator)**  
Senior Fellow, Human  
Capital  
*The Conference Board*

# A perfect storm has dramatically changed the world of work



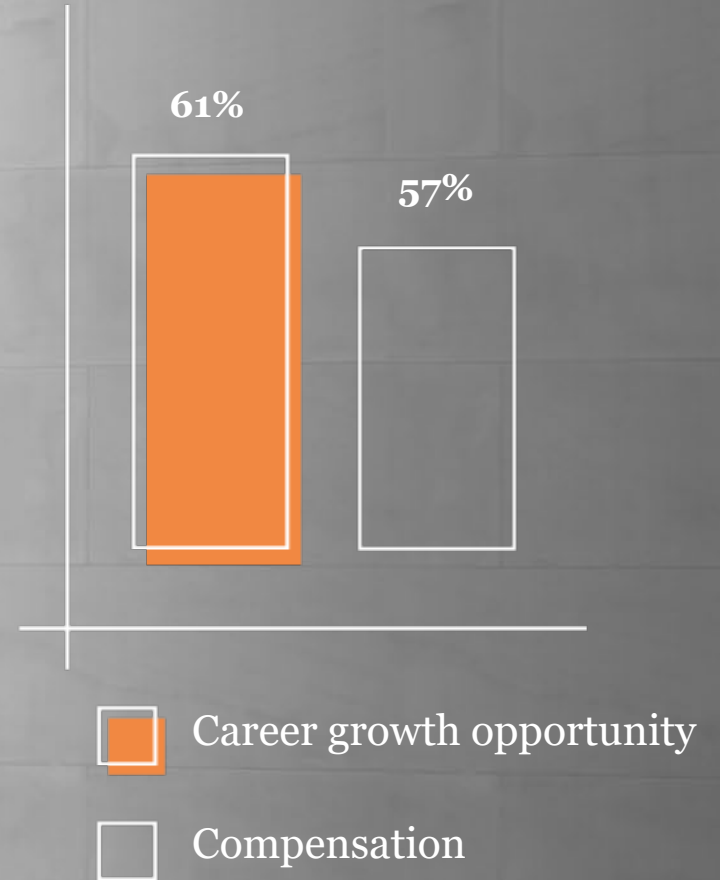
# New generations are bringing new expectations



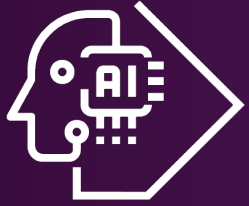
64%

of millennials take into consideration a company's corporate social responsibility when deciding on where to work.

Most important factors in a new job

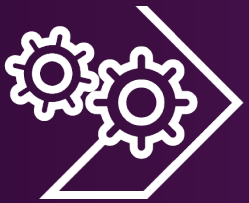


# Digital transformation is bringing fear and uncertainty



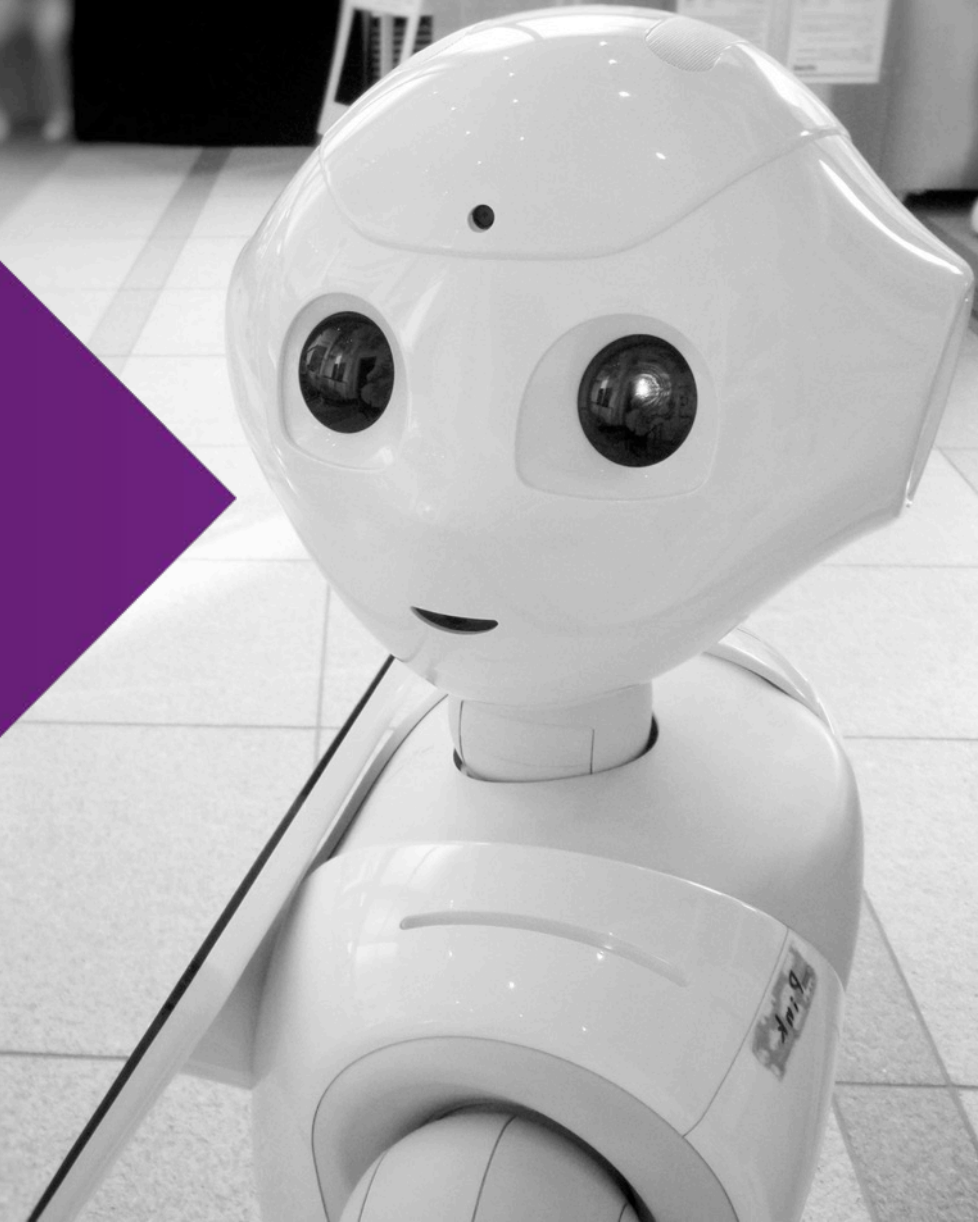
25%

US executives expect 25% of their skilled workforce to be upended by new technology.<sup>1</sup>



32%

of jobs in OECD countries will be radically transformed by technological progress.<sup>2</sup>



<sup>1</sup>Source: McKinsey & Company

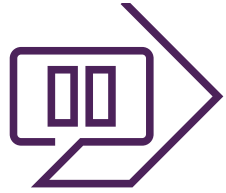
<sup>2</sup>Source: Organisation for Economic Co-operation and Development (OECD)

# It's all falling on **one group**

- ▶ “The more I knew people personally or worked with them or worked for me, those are the ones that I was up at night **worried** about, very **concerned**...”
- *Senior Director, Compensation & Benefits*

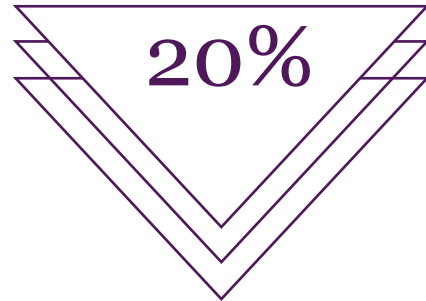
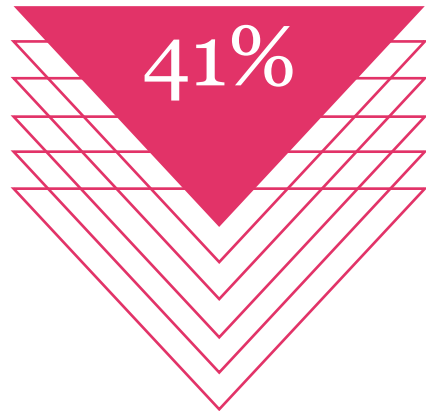
Pressure Stress  
**Worry** Anger Concern  
Troubling Fear **Anxiety**  
Crushing Bitterness Betrayal  
Disbelief **Nervous** Anticipation  
Exhaustion

# The ripple effect of workforce decisions



## Disengaged

Layoff survivors experience a **41%** decline in job satisfaction and **20%** decline in job performance.



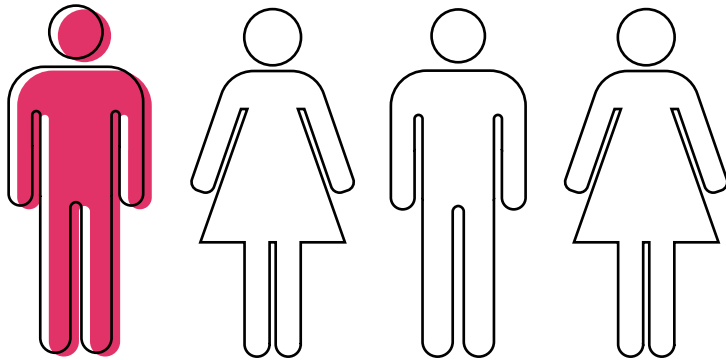


# The ripple effect of workforce decisions

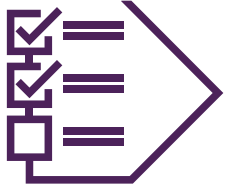


## Unprepared

More than **1 in 4** adults report a mismatch between their current skill sets and job requirements.

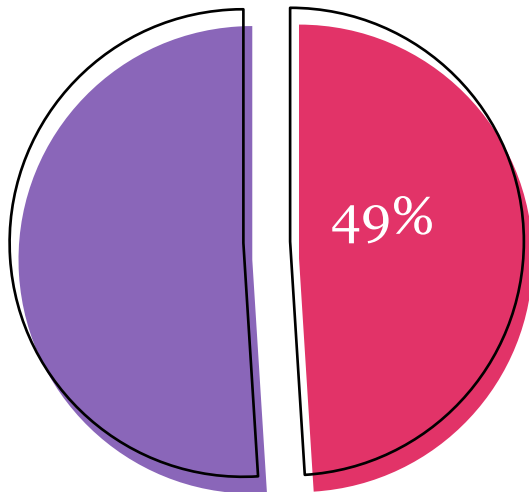


# The ripple effect of workforce decisions



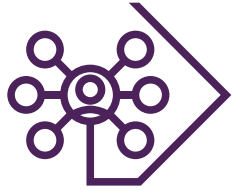
## Overlooked

49% of millennials would leave their current jobs for better roles.



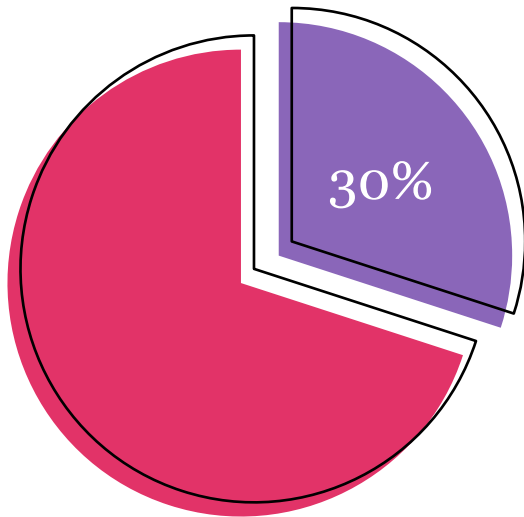


# The ripple effect of workforce decisions



## Unaccountable

Only **30%** of companies are satisfied with manager accountability.



## Poll Question

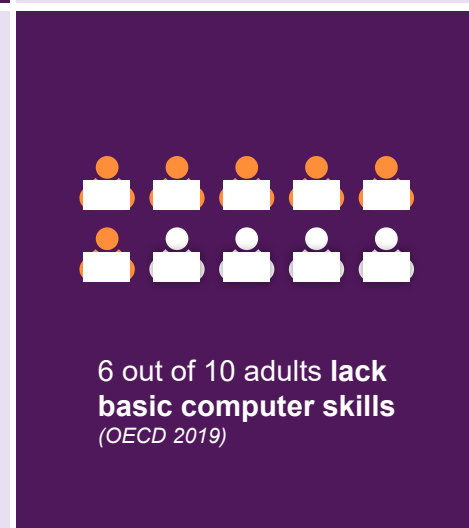
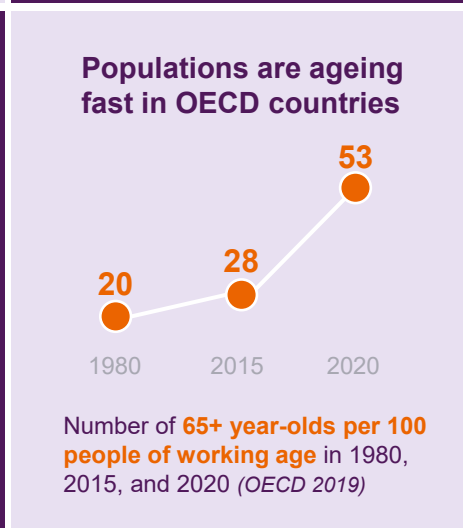
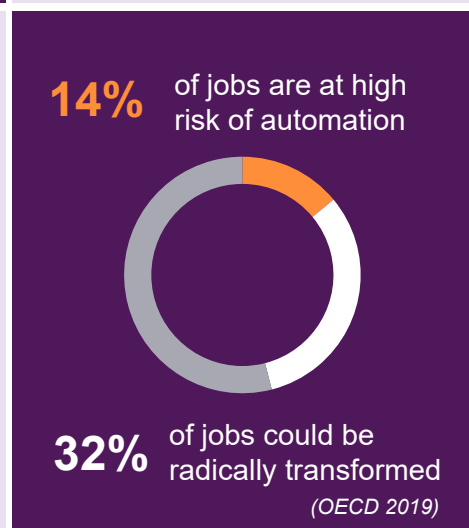
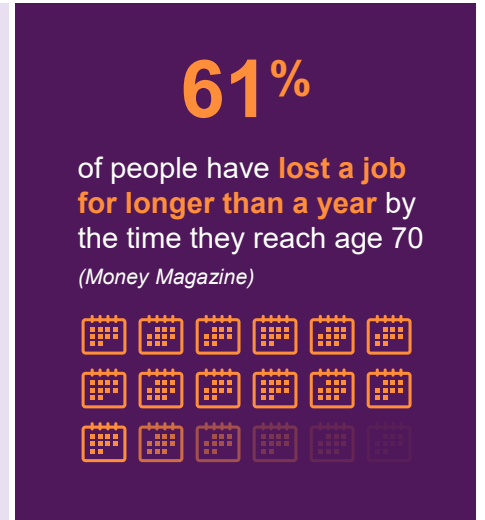
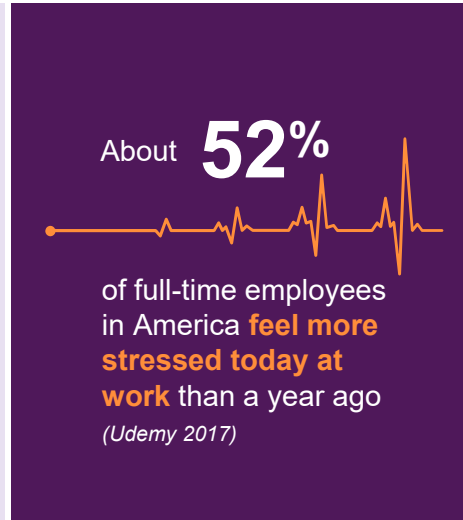
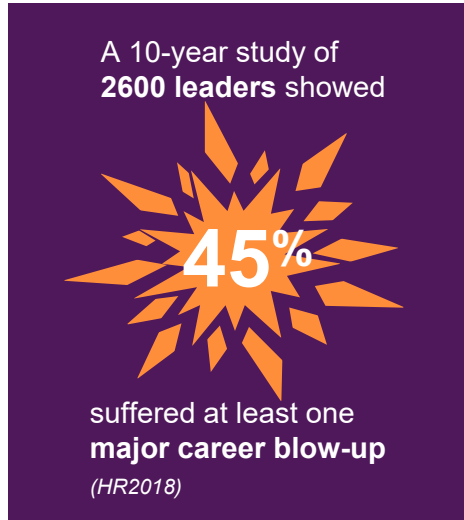
## Poll Question

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## CHAT DISCUSSION

What other key drivers and trends are influencing how you think about your talent right now?

# From skills to careers to leadership, everything has changed



It's time to rethink what  
your ROI can look like...

“At a time when offering someone a career for life is really no longer an option, employers need to demonstrate that they care about their employees’ lifetime careers.”

- Alan Wild, VPHR, Employee Relations and Engagement, IBM

LHH



# Organizations are seeing **shifts** in the skills they need...

# ...and must continuously **evolve** their talent's capabilities **LHH**

Only **20%**

of employees **have the skills needed** for both their current role and their future career.<sup>1</sup>



The average shelf life of skills is less than 5 years

**87%**

of executives say their organizations **are already experiencing skill gaps** or expect to face them within a few years.<sup>2</sup>



Success in the digital age requires a culture shift to continuous learning & mobility

**50%**

of L&D professionals believe their organizations **have "best in class" leadership.**<sup>3</sup>



The necessary leadership capability profile has dramatically shifted in 2021

LinkedIn® Workplace Learning Report

Shifting the talent strategy approach:

from a replaceable to a **renewable workforce**



[Gartner Research, 2018](#)<sup>1</sup>

[McKinsey Survey, 2020](#)<sup>2</sup>

[Training Magazine 2019](#)<sup>3</sup>

# It's time for a **new approach** to talent

## Replaceable



- ▶ Simultaneous firing and hiring
- ▶ Financial waste (severance & recruiting costs)
- ▶ Limited and ad hoc focus on developing leaders
- ▶ Coaching reserved for a select few
- ▶ Lack of insight into the skills, behaviors and personality of the workforce
- ▶ Little or no transparency into mineable skills (and lost skills)
- ▶ Separating the wrong people
- ▶ Damage to employer brand
- ▶ Loss of potential leaders who know your business

## Renewable



- ▶ Investing in the current workforce (upskill, reskill)
- ▶ Transparency & ability to match talent supply to talent demand
- ▶ Supporting leaders through every key moment is a top priority
- ▶ Belief that everyone can be better with a coach
- ▶ Dynamic and actionable insights into the skills and potential of the workforce
- ▶ Achieve transformation objectives
- ▶ Grow the leadership pipeline
- ▶ Positively impact employer brand
- ▶ Transition out only those who are not fit for future





Welcome to the **new ROI** –

# **a Return on Individuals**

Today, there's a new way to look at ROI. It's now a Return on Individuals. LHH is helping companies reskill and re-energize the workforce they have while helping employees realize their true potential. There is opportunity within every company and every person. And we're helping both deliver on it.



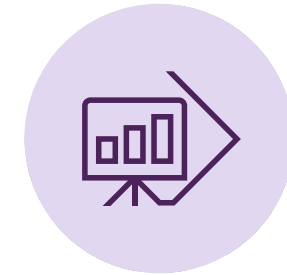
# Imagine the returns that individuals can deliver



▶ **\$136k**

Potential savings per person from reskilling & redeploying instead of laying off & hiring

Source: The Adecco Group and The Boston Consulting Group

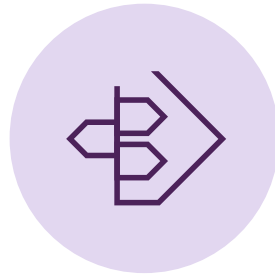


▶ **70%**

Higher productivity in organizations that embrace a coaching environment

Source: Human Capital Institute (HCI) and International Coach Federation (ICF)

# Imagine the returns that individuals can deliver



▶ **21%**

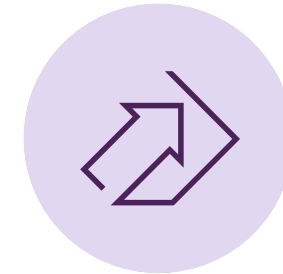
Higher productivity among engaged employees

Source: Gallup | How Employee Engagement Drives Growth

▶ **\$169k**

Median revenue per employee in firms that prioritize learning & development, compared to \$83K in those that don't

Source: Bersin & Associates | Talent Management Factbook



Shifting from replaceable to renewable means seeing the potential in every individual and delivering opportunity at every key career moment.



# How do you execute on a new talent strategy?

LHH



It's not about investing more – it's about seeing the potential in the current workforce and investing differently...

- ▶ Move from periodic restructuring events (traditional approach) to **continuous renewal** (leading-edge)
- ▶ Unlock **data** on talent needs, current skills and future potential to match talent supply and demand
- ▶ Retain existing talent with the **right skills for the future**, in line with individual aspirations and potential
- ▶ Develop a **liquid workforce mindset** with movement of talent based on skill needs and target business outcomes
- ▶ Truly enable your talent to **reach their full potential** in every role they hold
- ▶ Evolve to a true learning culture where people **thrive through change**

# How do you execute on a new talent strategy?

...and shifting the way individuals behave and interact with the organization

Waiting in role for a future pay-off

Taking a proactive approach to learning and career growth

Not understanding skills gaps & how to close them

Having a clear view of skills needed now & in the future

Maintaining isolated, siloed knowledge in the business

Reallocating diverse, multiskilled and agile talent

Being risk averse & scared of the unknown

Being champions of change & mobility

Operating with a fixed mindset about individual potential

Leading with a growth mindset and embracing the opportunity to reinvent



# How ready is your company for the workforce of the future?

**Replaceable**

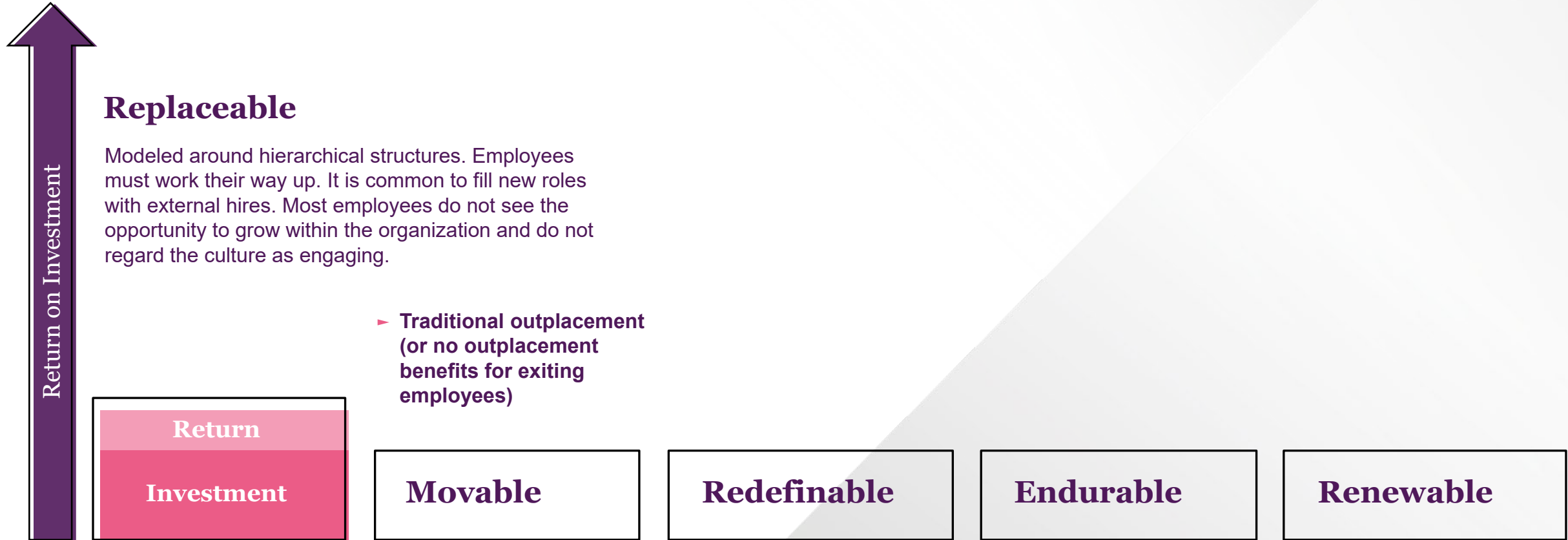
**Movable**

**Redefinable**

**Endurable**

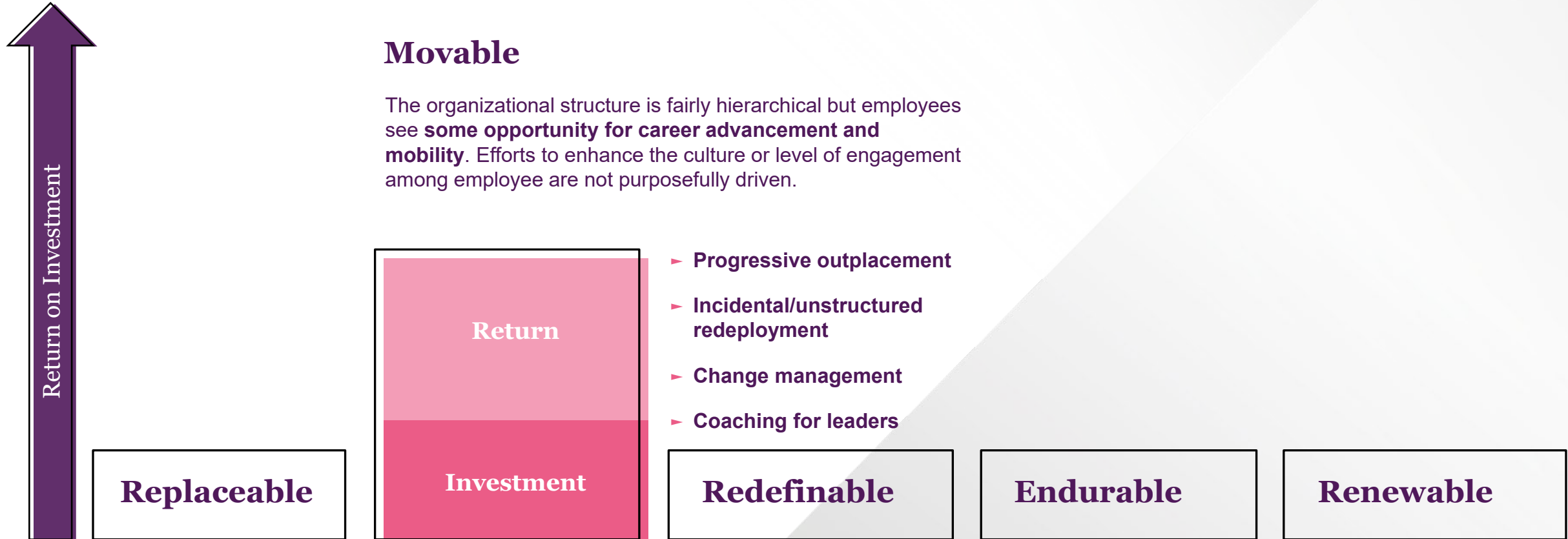
**Renewable**

# How ready is your company for the workforce of the future?

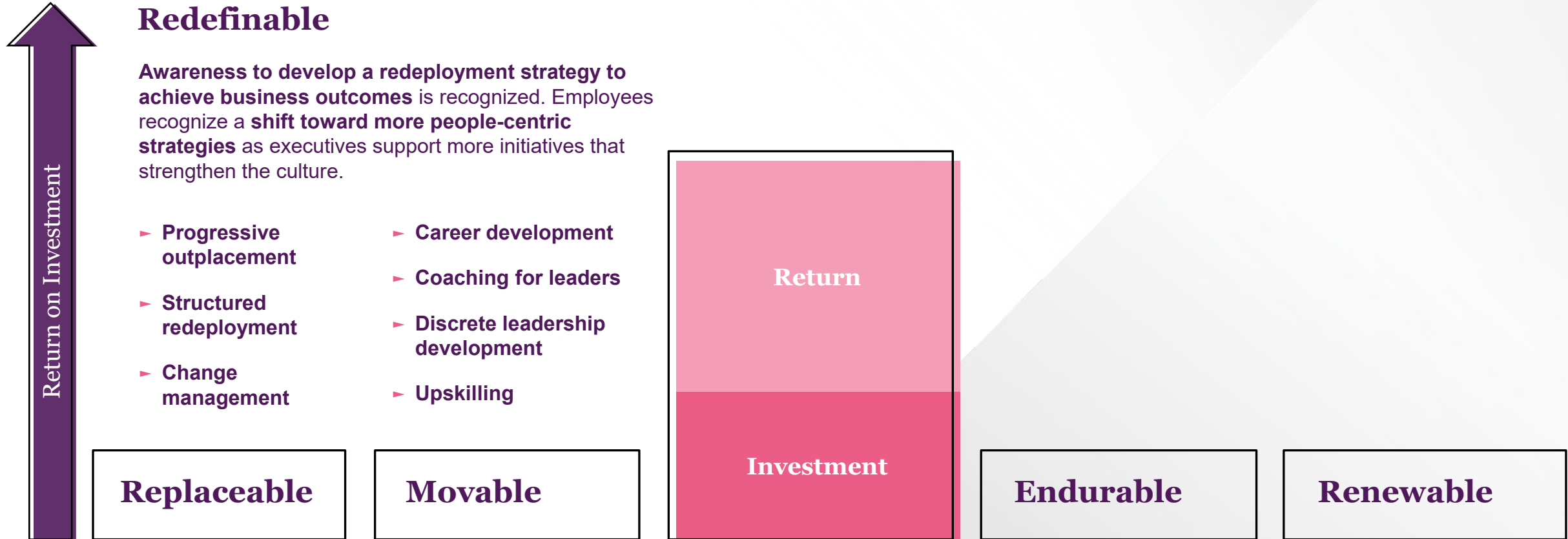




# How ready is your company for the workforce of the future?



# How ready is your company for the workforce of the future?



## Redefinable

Awareness to develop a redeployment strategy to achieve business outcomes is recognized. Employees recognize a **shift toward more people-centric strategies** as executives support more initiatives that strengthen the culture.

- ▶ Progressive outplacement
- ▶ Structured redeployment
- ▶ Change management
- ▶ Career development
- ▶ Coaching for leaders
- ▶ Discrete leadership development
- ▶ Upskilling

**Replaceable**

**Movable**

**Investment**

**Endurable**

**Renewable**

# How ready is your company for the workforce of the future?



# How ready is your company for the workforce of the future?



# CASE STUDY | The new Capital One ROI

**Objective:** Transform from a financial services company to a technology company while retaining and acquiring top talent

## Solution:

### Voluntary mobility culture

- ▶ Personalized career development and opportunities to move into new internal jobs
- ▶ 6 permanent Career Development Centers; 42 dedicated coaches; digital toolkit scaled across the company
- ▶ Actively used by 7,000 associates each year

### Reskilling & upskilling

- ▶ Digital Transformation & Tech College
- ▶ General Assembly boot camps
- ▶ Tech Leadership Development Program
- ▶ Thousands of associates trained on technology disciplines and soft skills

### Change management & coaching

- ▶ Help employees and managers build resilience and grit to overcome and adjust to transformational challenges
- ▶ Manage through frequent acquisitions as company transforms
- ▶ Culture of accountability and commitment

### Internal & external transition

- ▶ 20% of employees impacted by restructurings transition internally
- ▶ Another 20% place externally before their last day of work
- ▶ 80% of those who leave continue to use transition support; 76% of them place during their program

## Opportunity, delivered for Capital One

- ▶ In **10 years**, Capital One has inverted their annual investment, from **70% transition / 30% development**, to **30% transition / 70% development**
- ▶ **\$15-20M** annual ROI from employee engagement, retention, and ongoing movement of people into new internal roles
- ▶ Estimated savings of **\$3-5M+** on severance and recruitment from internal employees impacted by restructuring
- ▶ Fortune's "100 Best Companies to Work For," Civic 50's "50 Most Community-Minded Companies," Fortune's "100 Best Workplaces for Diversity"

# CASE STUDY | How IBM shifted from “replaceable” to “renewable” workforce

—while achieving \$300M cost savings



## The situation

Like many other legacy leaders, IBM was caught up in a “hiring-firing” cycle to support a transformative business strategy shift.

While the nature of restructuring had changed from capacity to skill-based, the existing restructuring playbook was outdated and ineffective—leading to reduced career velocity, brand damage and the wrong people staying while carrying significant restructuring & severance liabilities.

## The solution

RESKILLING | REDEPLOYMENT | MOBILITY

### Analytics

- Talent demand & supply analysis
- Performance analytics
- Assess propensity to re-skill & adaptability: 1) future fit 2) adaptable to future fit 3) off track and 4) poor performers

### Transparent employee feedback

- Manager led and LHH enabled to increase adaptability

### Proactive development & mobility support

- Reskilling options and creative incentives—like temporary assignments in other IBM business units with guarantee of job return

### Future-Proofing Ecosystem

- Change mindset from ‘mass layoffs’ to future-proofing the workforce

## The impact

From the identified target population, 3,600 employees moved from “off track” to either out of IBM or into another job inside the organization

- 800 redeployed internally
- 1,500 voluntarily left IBM
- 800 changed employment type, i.e. subcontractors
- 500 actively placed into IBM business partner ecosystem

A \$2M investment in supporting the initiative delivered the equivalent of more than \$300M in separation cost savings

Glassdoor index increased from 2.8 to 3.6

The LHH logo is positioned in the top right corner of the image. It consists of the letters 'LHH' in a bold, purple, sans-serif font. The background of the slide is a black and white photograph of a modern office interior with a wooden floor and large windows. A large purple triangle is overlaid on the left side of the image, pointing towards the center.

LHH

# THANK YOU

LHH

Opportunity, delivered

<https://www.lhh.com/roi>

Want more information?

Mary-Clare.Race@lhh.com

# Q&A



# About LHH

Lee Hecht Harrison helps companies simplify the complexity associated with transforming their leadership and workforce so they can accelerate results, with less risk. We do this by helping their employees navigate change, become better leaders, develop better careers, and transition into new jobs.

As the world's leading integrated Talent Development and Transition company, we have the local expertise, global infrastructure, and industry leading technology required to simplify the complexity associated with executing critical talent and workforce initiatives, reducing brand and operational risk. Teams in more than 60 countries around the world leverage our proven programs and global experience to deliver tailored solutions to clients that align talent with the needs of their business.

# Upcoming Webcast Programming from The Conference Board



- [Why a Purpose-Driven Approach to Health and Well-Being Matters \(August 12, 2021\)](#)
- [The "Great Resignation" Is Here - Now What? \(August 25, 2021\)](#)
- [Human Capital Watch™: Talent Acquisition's Transformation \(October 19, 2021\)](#)

View all of our upcoming webcast programs at  
<https://www.conference-board.org/webcasts/upcoming/>

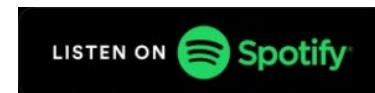


# NEW Podcast Series: C-Suite Perspectives - Insights for What's Ahead™



Hosted by our CEO, **Steve Odland**, this bi-monthly series features in-depth interviews with thought leaders from The Conference Board to provide senior and C-suite executives with data-driven insights to prepare them for what's ahead.

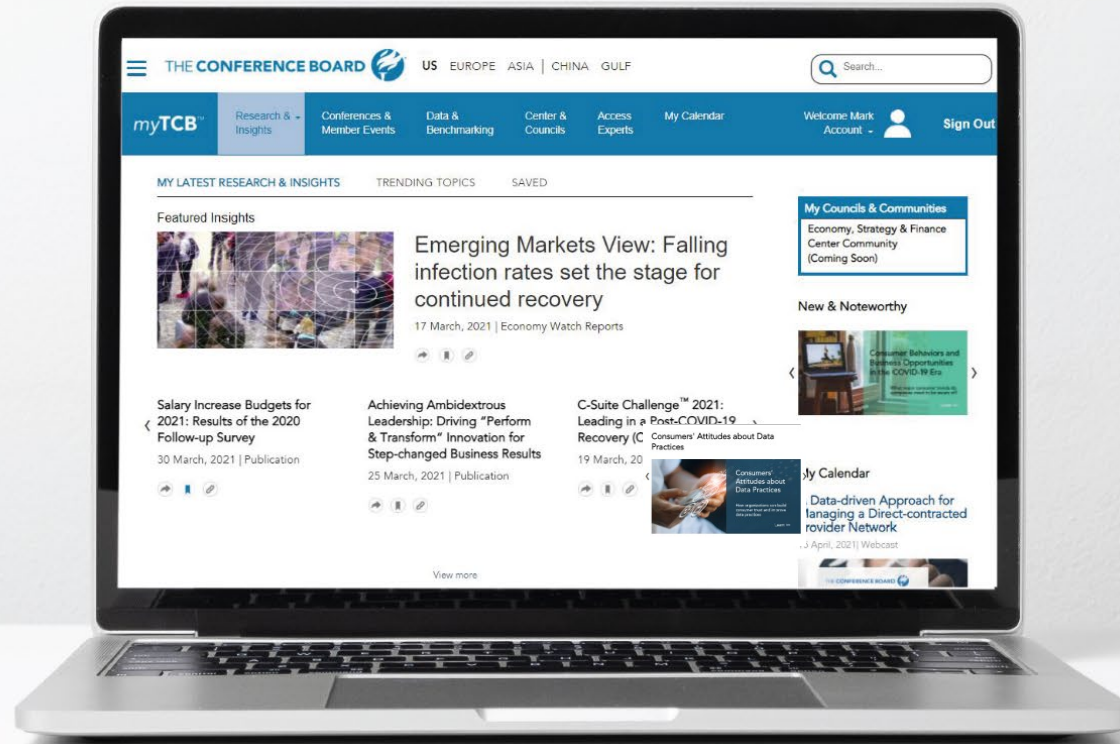
Available on our website at <https://www.conference-board.org/podcasts/c-suite-perspectives-podcast> or on most popular podcasting platforms, including:



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8TH ANNUAL

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