



Beyond reskilling: Investing in resilience for uncertain futures

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David Mallon: Welcome to the Capital H podcast where we explore the latest trends and developments that focus on putting humans at the center of work. I'm your host, David Mallon, chief analyst with Deloitte Consulting's Human Capital Research and Sensing team. This season we're focusing on the findings of our 2020 Human Capital Trends study. I had the honor of being one of the authors of this year's study and so very much part of the research effort. And today, we're diving into one of my favorite topics, a trend that is of particular interest to

me—the topic of skills, reskilling. I think you're in for a treat. Skills, do we have them? Do we need to reskill? Do we need to upskill? Those topics are very much a subject of frequent conversation inside and outside of the organization, in HR, and in our communities. There's an anxiety. How do we maintain the viability of our workforce? How do we maintain our own viability in terms of our careers? It's becoming much more complex with the current pace of change, technology, innovation, and so on. In this year's survey, 53% of respondents said that between half

and all of their workforces will need to add to or update their skills in some significant way in the next three years. With that in mind, organizations need a better sense of the future, they need better insights to make investments, to nudge their workforces in the right directions. For today's episode, we're going to start with Allison Salisbury. She's the senior vice president leading employee solutions at Guild Education, an organization that is defining adult education through company tuition reimbursement and online learning programs. Enjoy!

Allison, welcome to Capital H.

Allison Salisbury: Thanks for having me, David.

David: Let's start with perhaps a bit more about Guild. Tell us about Guild Education, its purpose, its mission. And as you're doing that, tell us a bit about your role as well.

Allison: Yeah, absolutely. So, Guild Education's focused on the mission of unlocking opportunity for America's workforce. So, we do that through education. So, we work with the largest employers in the country, including Walmart and Chipotle, Disney, Lowe's, and many others. We build education benefits for their frontline employees. Also their managers and other ranks in the company. And we help companies realize education as part of their corporate strategy through upskilling their workforce and also as a tool for retention and for recruitment. And we do this really in the interest of serving the over 100 million Americans who need to go back to school or need some kind of learning or reskilling, or training for the economy that we find ourselves in today. Now, currently at Guild, we have three million working Americans that have access to our programs. And we see tens of thousands of students go to class and start classes each and every month. So, we're working at a pretty significant scale here across the country.

And my role at Guild is a pretty fun one. I get to spend a lot of time with our employer partners and with industry experts really to identify where the puck is going in education and workforce. And then, make sure our solutions are evolving to support talent attraction, retention, upskilling, and to do so at a pretty significant scale. And again, for the benefit of really unlocking opportunity for workers.

David: That's amazing. What Guild is doing is I think extremely important. So, this focus on skills, this focus on upskilling, reskilling, it's very top-of-mind for organizations. It's very top-of-mind for communities,

for governments, and so on. It comes up often when we talk about this notion of the future of work, and I think you described it as "where's the puck going?" The global pandemic has probably only heightened the sense of urgency around it.

But in our 2020 human capital trend study, which thank you very much, we were glad to have you as a participant, we explored this idea that a focus on helping the workforce to shift skills to simply reskill may not be enough of an answer. Our survey indicated there's broad agreement that skills are changing rapidly, but there's also a broad pessimism related to the organization's ability to understand what skills it might need going forward.

We encourage organizations to build programs that cultivate those innate capabilities that make us human—empathy, creativity, analytical reasonings, and so on—that some call these things soft or power skills. The important thing is they're context-independent and they're timeless. And so, they're a source of our capacity as humans to grow and reinvent. And we argue that investing in them alongside an investment in skills is a path to building resilience for the workforce and for organizations. Can you talk to me about your opinion on this notion of investing in human capabilities and investing in building worker resilience more broadly?

Allison: Yeah, absolutely. It's a huge question, and I would start by saying, in short, in an era where machines will get better at being machines, if the primary project of reskilling is not helping humans get better at being human, then I'm not sure exactly what we're here to do. And so, as your report points out, that really does mean investing in building capabilities, critical thinking, creativity, openness, and ability to learn, empathy, acting in conditions of uncertainty, and so many more.

And I actually see a lot of consensus on this point. You see consensus here coming from C-suites of Fortune 500 companies. You hear it as a primary talking point at the World Economic Forum. You certainly see

it in academia and learning institutions as a top priority. What I think there's not as much consensus on is, who should have access to this type of learning? How should resilience be taught? And also, quite frankly, who pays for it? And so, on that first question, who should have access to this type of learning, one thing that I find quite interesting in this conversation on reskilling and resilience is that often the conversation centers on the white collar or the corporate worker and entirely skips the frontline or hourly worker altogether, even though the frontline worker is highly vulnerable to automation and resulting displacement. And so, at Guild, we think a lot about resilience. But we really do focus on frontline and hourly workers. And they represent 78 million Americans in this country that are in need of education and retraining. And quick story that I think shows that this dynamic of associating education, which I broadly call liberal education, which is focused on resilience and creativity, and empathy, often ignoring frontline or hourly worker populations, is a story that stuck with me for many, many years. I think it was maybe seven or eight years ago, I was having coffee with the president of a very high-achieving community college. And we were on Stanford's campus for a meeting together. And he was telling me a story about a recent commencement on his campus where the then-secretary of education, , was giving the commencement address. And he looked out over the sea of graduates and he said, "You all are the model workforce of tomorrow." And of course, he meant it as a compliment. But this president of the community college asked me then if we were listening to a commencement address here on the Stanford campus, You're the model leaders. You're the model creators. You're the model entrepreneurs of tomorrow. And so, I think this dichotomy around who gets access to education that makes them creators and leaders and innovators, and who gets access to education that makes them the "model workforce" is really interesting, and one that we're really trying to break down at Guild.

David: Well, I want to come back to this. You raised this issue of who's responsible for this as well. I want to come back to that question in a moment. But start maybe with talking about how Guild is partnering with companies to build resilience. What elements of your programs play into this notion?

Allison: Yeah. Great question. So, let me start by telling you a little bit more about Guild students, because I think that'll give you some context for why we emphasize what we emphasize and the way we design our work with employers. So, a few fast facts. First, is that 68% of Guild students have not earned a degree beyond high school, and 35% of them haven't had any schooling beyond high school. A third of them are first in their family to go to college, and 40% of them have existing student debt. So, many of our students, quite frankly, have had bad experiences with education and learning and training. And as a result, they don't trust those institutions, oftentimes. And they certainly don't feel like they belong. And so, our goal is really to change their relationship to education and learning. And we do so by making sure that they have the tools and the support and the confidence they need to become lifelong learners. And in turn, become more resilient.

And so, certainly, I can geek out on a deep programmatic level around the learning experiences and how the learning experiences facilitate that. But taking a step back at some of the infrastructure that we wrap around our programs first I think is really important. So, the first is we have spent a lot of time in the last five years really trying to shift the education benefit landscape from tuition reimbursement to tuition assistance. These words might sound similar, but the shift actually has huge implications for who gets to access and use their education benefit to pursue their learning goals. And so, with tuition reimbursement is, I, the worker, pay for my program. And then my employer reimburses me later. Tuition assistance actually means that, I, as the worker, don't have to ever pay. That the payment goes straight from the employer to the learning provider.

And this is really important because so many of our frontline and hourly workforce, they live paycheck to paycheck. And if it requires them to pay for their program and then get reimbursed later, they simply will not ever enroll. And so, we have observed two to three times higher adoption of tuition assistance versus tuition reimbursement programs among our frontline workforce population. So, the first thing is access. The second thing is coaching. And so, we have a workforce of over 300 coaches, many of whom have backgrounds that reflect the frontline workforce population. And these coaches really focus on helping the worker navigate to the programs that are right for them based on their life and career goals. And oftentimes, if you listen to these coaching calls, which is one of my favorite things to do at Guild, is you hear in the coaching process a transformation of the learner worker to really have more confidence and self-efficacy, that this is actually a place that they belong and something that they really can do, despite the fact that they've had bad experiences with education in the past. So, coaching is really important there. And then the last is the programmatic component. So, we have a low-cost, high-quality network of academic and learning partners that we work with that are really aligned to jobs of the future. And we focus not just on quality in the objective sense but quality in terms of what learning and academic programs are really designed to serve the working adult who has so many different competitions on their time and really has very targeted goals around who they want to become as a result of their education or training experience.

So, those are some of the most important infrastructure pieces that we really invest in as we think about worker resilience. And just as sort of a nice fact to round it out and one of the examples of the outcomes we get as a result of these kinds of investments is that, for one of our employers, they recently found that their frontline employees who participate in the Guild program were seven and a half times more likely to move from a frontline role into a management role. And that this on average equated to about \$13,500 of increased annual income. So, pretty stellar outcomes when we look across the board.

David: It is absolutely a stellar outcome. You talked at the beginning in terms of, well, even in terms of your own role, getting a chance to work closely with employers. And I imagine it's working with the employers is what helps you decide what programs and what coaching, and what advice and guidance you're giving to these frontline workers. As you've seen jobs become more complex, the skill landscape shifting, working with these employer partners, how do you see what they're needing, what they're asking for changing overtime?

Allison: Yeah, it's a great question. And I'll return to, quite frankly, your report, which really focuses on some of these enduring human capabilities, right? The creativity, the empathy, et cetera. And certainly, that's coming up in our conversations with employers, but it's coming up alongside a request for the in-demand skills where they're seeing skills gaps in their workforce. And I think the important message here, and the one I find myself talking about over and over again, is actually I think we've created a false tension between in-demand skills and learning in-demand skills, and what I'd call liberal learning, or learning things around curiosity and creativity, and imagination, et cetera. The entire education workforce system I think perpetuates this false tension, and I think it's pretty dangerous. And the truth is, you can take a leadership program without learning to think or lead at all. And on the other hand, you can develop empathy and agency and imagination through the process of learning to code. The content doesn't matter as much as the educational process. Are you asked to form your own questions? Is the learning process one of discovery? Is there regular reflection or feedback practiced? And there's struggle and failure by design?

And so, one example of this, one of our learning partners, one of my favorite ones is Pathstream. They teach in-demand digital skills. And so, on the surface, you'd say, "Oh, they're a pure reskilling platform." But they do so using a pedagogical approach that really prioritizes learning self-direction and problem solving. And so, in one of their classes on data visualizations, the students are assigned a project in the form of an email from a

hypothetical boss who is asking them to help her solve a business problem.

And there's no right answer to this business problem. They have to interpret what's being asked and why, work to solve the problem, and present the data in a way that helps their boss solve the challenge. And I think when you compare that to a multiple choice or fill-in-the-blank way of doing learning, you really see that it's not about the content. It's really about the educational process.

David: So, I can definitely see in that example why it's so important, especially with the frontline worker audience too, to essentially not just teach them the content, the domain, but to actually build up in them a desire, build up in them a sense of what's possible, a sense of what their horizons could be. I think that's a big part of what, it sounds like, that particular partner of yours is trying to help do. I said I'd come back to this question around who's responsible for this? Who's the driver? Who's paying for this? Where are the dollars coming from? Essentially in our survey, we found 73% of our respondents said, "the business, the organization, it's the entity and society that should be primarily responsible for workforce development," which is interesting. It far outranked responsibility that respondents said they themselves as workers would own and far exceeded that given to either educational institutions, governments, professional associations, et cetera. And of course, given all this, given the growing interest in reskilling, the scrutiny of a societal pressure attached to it, what is Guild's perspective on this question? Who should be responsible for the long-term viability of the workforce?

Allison: Yeah. It's such a loaded question. And I think across the board, people in this country have really lost faith in public institutions, which then the result is really leaning more heavily on private ones to solve what are deeply systemic problems. And so, what I think is interesting about your survey is, does it reflect what people want? Or does it reflect the reality they find

themselves in, is just one thought I have right at the top. But the reality is, we do see it as a trisector responsibility at Guild, private sector government and the education sector working really closely hand in hand, that workforce development and education more broadly has always been everyone's responsibility. Given the unique moment in time we're in, companies are playing a bigger and bigger role. And as an aside, the Edelman Public Trust, they had a set of surveys that showed that 84% of people actually want their CEOs to be speaking about training and jobs for the future and providing guidance on that front. So certainly, we're seeing it come from workers too. And the last thing I'll say is that companies aren't only doing this out of a sense of broad social responsibility. Certainly, that plays a role in it. But never before has the financial benefit of investing in workforce development been more clear.

For example, every dollar spent on an education benefit through Guild, employers receive on average \$2.44 back. That's a net return of \$1.44. So, even aside from the broader social responsibility question, you're really seeing it be a good business decision as well, which I think really helps get the right private sector leadership to the table in the right ways.

David: Given your close relationship with some fairly major organizations, private sector organizations in this country, can you speak to what you've heard them say, how they feel being in the crosshairs here, being primarily responsible for development?

Allison: Yeah, I think if I were to look in aggregate across them, and of course, each one is a little bit different, they would all reflect similar themes that I shared, which is an ideal world. This would be more of a multisector partnership approach. But we don't live in an ideal world. And so, they really see the urgency and the imperative, given the state of their businesses and the state of the economy, to really step up to the table and increase in more meaningful ways. The ones that do this most effectively and really bring the heft and weight of their C-suite to the table

are the ones that really focus on how their investments in workforce development and education align to their corporate strategy. So, employers today are very focused on talent attraction and retention, very focused on upskilling. And also, especially at this time, really focused on how do they more ethically outpace and support the workers they're having to downsize. So, those workers cannot just land another job but maybe even could land a better job after being let go. And so, I really think in short, the biggest leaders in this space in the private sector will say, "We want to find opportunities to do things that are good for our business, good for workers, and good for society more globally."

David: But of course, you did mention that most of these companies are recognizing that they do actually have a hard return from engaging these programs. How does Guild help your partners understand the ROI of their programs? Can you speak maybe more to that process?

Allison: Yeah, absolutely. So, the process is pretty straightforward. We have a whole team that does ROI and impact analysis, employer by employer, and also looking at trends in aggregate across our employers. As I mentioned a bit earlier, the overall ROI we see at around \$2.44 for every dollar of investment, which is pretty substantial. And actually, we sometimes see that number quite a bit higher in certain employer environments. From a quantitative perspective, the ROI is calculated across a few different buckets. There's talent attraction. So, Guild partner employers see somewhere between 20% and 25% increase in job applicants following program launch, which means they're decreasing time to fill roles, which itself is a hefty cost. And they're also able to attract the talent they most want for their roles. The second quantitative thing that we're able to analyze is retention.

Allison: Guild students at our employer partners have an average of 80% retention, our one-year retention rate, and that's compared to a national average of about 56.

And some of our partners see their retention rates for their Guild students well up into the 90s. So, that represents a massive cost savings when you think about the rate of turnover within these companies, especially in the frontline and hourly populations. And last is around upskilling workers internally into hard-to-fill roles and so, as I mentioned earlier, for one of our employers, and this is pretty representative across a number of different sectors, workers in the program were seven and a half times more likely to move into a management role. And that is huge for the worker, right, \$13,500 in an increased annual income. But it's also huge for the employer because they're able to build talent from within, which has all sorts of benefits, and including benefits around diversity/equity inclusion, given that the frontline worker populations are often quite diverse. And by investing in them, you can really cultivate your next wave of management talent from your own workers.

David: So, I want to start to wind down the conversation, and I am going to do so by asking you to think about the advice and guidance to our listeners, to organizations out there who are thinking of trying to do similar things. The first place I'd like you to go a little bit further on is actually what you're just talking about, which is making the case. So, we found in our study, only 16% of organizations expect they're going to make any significant investment in skilling and workforce development over the next little while. If an organization comes to you and says, "That's our primary obstacle. We don't know how to make a case to make these kinds of investments," what are you helping them do?

Allison: Yeah, great question. So, we always start with a whole bunch of discovery conversations with a number of different leaders at the company, really to understand how their business is changing, what that might mean for their workforce development priorities, and what motivates their leadership. Is it data and cost savings?

Great. Let's dive into the ROI frameworks and think about what levers are most powerful to pull there.

So, it's really not seen as a cost but actually as an investment that has significant financial return. Is it brand with employees and with consumers? Great. Let's think about how we're going to brand and tell the story internally and externally about the workforce development initiatives and investments that they plan to make. But really, the key is aligning education to that broader corporate strategy. And I think the second thing that really helps is telling stories about what other employers are doing and the outcomes that they're seeing. So, we really try to build visibility among our employer partners around really what's working and what's driving the needle for their workforce.

David: How do you help an organization if they come to you and say, "We don't really even understand what our needs are going to be going forward and how to create programs that will meet those needs." What advice would you give to organizations who are just trying to think about where to start in terms of what we need our workforce to be going forward?

Allison: Yeah, absolutely. The way we start for organizations who have less of a developed point of view day one is really through a series of exercises around how their business and how their industry, more broadly, is changing. We have a number of different skills and capability frameworks that we've developed through a whole variety of data sources, like EMSI and Burning Glass and others, to really help people think about macro-level trends. And then, we can even help them pull data on more micro-level trends within their business. And then do some mapping around prioritization. And so, that process sounds scary and complex. But really, it's not. And there are a set of workshops and conversations, and the application of sort of modern data tools that have recently become pretty widely

available in the last three to five years. We're able to quickly home in on, where do we start? What are the set of priorities that you really want to lean into immediately? What are the metrics of success that's going to most matter to your leadership that then in turn would encourage expansion and additional investment?

David: Thank you very much. I think that's tremendous advice, Allison. Thank you so much for joining us today.

Allison: Absolutely. Thank you for having me, David.

David: Thanks so much to Allison Salisbury from Guild Education. It was very interesting to hear how her company is defining the future of work through its programs and helping other organizations get there as well. Now, I'd like to welcome today's roundtable. First, we have Michael Griffiths, he's a partner with Deloitte's Workforce Transformation Practice, and he leads our learning solutions work in the US. Next is Julie Hiipakka. She's a frequent visitor of the podcast, she's part of Deloitte's Human Capital Research and Sensing Team. She leads our research in learning and career. And finally we have John Hagedel. He's a managing director with Deloitte Insights, and he was the founder and leader of Deloitte's Center for the Edge. You're going to hear Michael, Julie, and John break down this topic of reskilling, the situation facing today's workforce and beyond, and they're going to discuss the role that organizations can play in helping their workforces remain viable.

David: Our listeners would have just heard us interview Allison Salisbury with Guild Education. She talks about how Guild Education partners with organizations to create successful education programs, to address skills and capabilities, but before we start to focus on these capabilities and going beyond skills, let's give skills a bit of their due. Based on your experiences, how important is it or why is it important for

organizations to understand the skills they have and how to reskill and upskill? Julie, why don't you kick us off?

Julie Hiipakka: Sure, David. Well, first of all, I would say that it is super important, and it's super important because work has changed so much in the last 10, 15, 20 years, and the pace at which what we're doing and how we do it changes very quickly. It's so important for organizations to understand how to get work done, but there's a real problem, because a lot of organizations are still struggling with this. As you know, David, 17% of our Human Capital Trends respondents said that they can identify the skills most needed in the next three years. So, let's talk about the flip side of that, where it's 82, 83% of folks who can't, and the secret is getting into the work. If we understand what the work is more deeply, and organizations that understand the work more deeply are going to be able to be more effective at identifying what the skills are, what the skills might need to be and, as I know we're going to get into, where capabilities fit into this mix, so really involving the workers in understanding the work, using them to help us get past job descriptions and job architectures and job families and all those things that have been pretty bad substitutes up to now would be I think one of the best places to start.

David: Michael, pick up on what Julie just said. Why is it important that organizations understand skills?

Michael Griffiths: Yes, and Julie, that's right. Surveys taught us that human capital service was very important for all our organizations, but they just are struggling to keep up with the pace of change. I think the reason it's so important is that we realized that really human capital is the biggest asset on the balance sheet now for most organizations. People are its power. And we talk about belonging in our human capital survey as a way to try and entice those people that work for us to be the best they can. If they're the most important asset, you need to understand where they are, where they're going, and where you want them to

go to, to essentially drive your performance, your business goals, in a very agile way for organizations to be at the pace of change on a consistent basis, and this is a struggle. A lot of organizations have created a future of work capability within their organization. The names, people in those titles, they've created the idea of "let's document the future of work into the skills and capabilities in the future-orientated way, and let's update our capability, competency models in a way to reference that." The struggle they're having is how do you create a systematic approach but that is real life actionable in an agile way, but it isn't a one-time effort. The continuous effort drives the performance of your people in a very, very systematic way, and that is a struggle. That's data. That's analytics. That's into your HR systems and operations. It really is a transformational effort, and that's the struggle.

David: Well, Julie referenced the statistic that only 70% of organizations can see the future, at least in the next three years, with regards to skills. What you just described, Michael, is a lot of work. Is that not working? Why has this continued to be a struggle?

Michael: I think the real aspects of the struggle for organizations is that it does penetrate a lot of business and HR lines. We've talked a lot about this in The Learning Space, Julie and I, and John too, that the role of the organization for learning is very much more decentralized into business and HR, so HR's more of an enabler rather than an ownership. It's true across all the traditional talent functions. The business has a bigger role and has much more of the data around where the future of work is going. So, the struggle that organizations are having is, how do you become an enabler, support the business, push some accountability to the business of where the future is going, and create the rigorous systems for it to happen in a very agile and continuous basis.

David: John, it's a good moment to bring you in. So, Michael's referenced this pivot from skills to capabilities. In the Trends

study this year, we talk about this need to invest in resilience, a resilience built on these capabilities, which are enduring and define us as humans. Connect the dots for us. How do these enduring human capabilities support resilience? Why is this a pivot we should be making?

John Hagel: Many different dimensions to it, but I think part of it has to do—some research that we did, this was many years ago actually, we looked at a select group of large companies, in many different departments in those companies, and we asked, "Where are people spending most of their time?" And it turned out, at least based on this sample that we had picked, that roughly 60 to 70% of the time of the headcount was being spent on what we called exception handling. They were addressing situations that nobody had anticipated and that the process manuals had no processes for, so they were scrambling at the last minute to try to figure out how to address this situation, and that's exactly where capabilities come in. If you think about imagination, creativity, curiosity, empathy, that's what you need to be able to handle those unexpected situations, and I would say that, just to make it relevant for the moment, the whole experience that we're having with the pandemic is a great illustration of the value of these capabilities. It's the workers on the front line who have these capabilities and are exercising them, that are helping to create value for the companies that they're part of. I think that there's this notion of, as Julie mentioned, the world more rapidly changing. It's not just changing more rapidly. It's in unexpected ways. Things that we can't predict or forecast. We have to be able to respond quickly and creatively, whatever situation is emerging.

David: John, you just recently published a new article on a topic I know that you've touched on before, this notion of the passion of the explorer. You and your coauthors make the point that, as long as we're talking about these issues, efforts to reskill, cultivate capabilities, encourage new ways of working, et cetera, that all of this is wasted if we aren't also thinking about the

environment and the degree to which there are underlying motivators or de-motivators. For, as you call out, only 14% of respondents demonstrating a passion, a desire to take on challenges, push boundaries, connect with others, or develop ideas and new approaches. Take a moment, go maybe a bit deeper on this idea of the passionate explorer, but especially as it relates to why it's important in this context of building capabilities and building resilience.

John: Sure. The initial focus on passion, and again, we talk about a very specific form of passion that we call the passion of the explorer, it has three components to it. One is a long-term commitment to a domain and having an increasing impact in that domain. The second component is what we call a questing disposition. These people are excited by new and unexpected challenges, and then they have a connecting disposition. The third element is, when confronted with those challenges, their immediate reaction is, who can I connect with to help me get to a better answer faster? And I think that the way we came up with this was looking at environments where there's sustained extreme performance improvement, pretty far removed from traditional business, everything from extreme sports to online war games. And we found the common element in all those environments, despite their diversity, was this very specific form of passion. I think in the context of skills and capabilities, the interesting issue to us is that when everybody in business now is talking about reskilling, we need to reskill, lifelong learning, very few people talk about what's the motivation to do that. Why? That's a lot of time and effort. Why would anybody do that? The unstated answer, usually not stated, is fear. If you don't do it, you're going to lose your job. So get to it. Reskill, upskill, develop capabilities. Our belief is while fear can motivate people to do some learning, it's nowhere near as effective as a motivation where people are excited about the opportunity to learn, and driven to learn more, and have more and more impact. That's where we see this notion of passion

of the explorer becoming so important. It's the motivation to exercise those capabilities, the motivation to develop new skills, and to view it as an exciting opportunity versus something that's a burden on the system. We're struck by the fact that most companies today, everybody's talking about worker engagement. Do we have engaged workers? Definitions vary, but basically an engaged worker is somebody who likes the work they do, and likes the people they work with, and respects the company they work for. That's an engaged worker. It says nothing about a commitment to get better faster and have more and more impact. That's where passion comes in. To your point, we just finished a survey of the US workforce. At most, 14% of the US workforce has this form of passion about their work. So, imagine what we could accomplish if 86% had this passion of the explorer versus just 14%. That's the untapped opportunity, and we think a big one for companies.

David: Michael, I want to bring you back in. Picking up on what John just talked about, one of the interesting statistics in the study this year is that on this whole topic of workforce employability, skills, capabilities, and I would add onto it this concept of passion and not just needing to reskill, but wanting to continue to grow, is that 73% of the respondents said that the organization, the enterprise, the business is the entity primarily responsible for the development of the workforce. It's kind of a huge number. Have you seen organizations assuming this responsibility, stepping up to fill this need?

Michael: The short answer is yes. I think there's a lot of nuance to the response around that responsibility element. It's interesting, because I think it's a bit of a double-edged sword for our workforce. We're seeing organizations look at it this way. The enablement of development and being able to provide your workforce with the opportunity to learn and drive both their tasks, as John put it, in terms of what they do and the connection to the success and the impact they do, but also their roles, their jobs, their

careers, and have the learning available to do it, is very much the way that organizations are talking about it. However, they're also saying that the accountability for the learning is more and more on the employee with less and less handholding, more giving the opportunity. Less mandatory learning, more opportunity, learning to drive a new opportunity within the organization, new job, maybe even just a new team to work on, new task force, et cetera, and to be credentialized. That's a key word here. To be credentialized, you have to get that opportunity in a way that makes you applicable for that particular task, or job, or career, et cetera.

David: Julie, you've written recently about rewarding people or learning as a reward, I suppose, is the right way to put it. Pick up on that, and maybe also talk a bit about other ways that organizations are creating opportunities maybe by collaborating with external organizations, like for example, the Guild Education example we just heard from before today's podcast.

Julie: We know from our rewards research that high-performing organizations are almost two times more likely to have expanded their definition of rewards to include things like learning and development, mentoring, and coaching. We've written a bit on this idea that instead of us thinking about, and I'm using the "us" as organizations and HR leaders, thinking about professional development in all these various forms is something that we offer and give only to the best people as a form of recognition. It needs to be something that we actually make available to everyone. When you think about the idea of human capabilities and that everyone has potential, because everyone has these traits within them, and they just need opportunities to demonstrate them, it even actually strengthens that argument that we really need to democratize, level the playing field, make learning available to everyone instead of thinking of it as something that you only make available to your best performers. I think that's why we're seeing some of these big organizations

with large hourly workforces, some of which we wrote about in trends, partnering with educational institutions to provide access to education at little or no cost. It's a combination of seeing it, I think, as part of their role as a social enterprise, but also recognizing that this is a way to help people prepare for all kinds of different futures.

David: We've seen a number of companies, vendors in this space, technology vendors, content vendors, et cetera, creating additional opportunities, leaning into the particular reskilling and employability challenges right now. But in most contexts, this is expensive, it does involve spending money. Even though I think in the media there's been certain companies getting certain very high-profile attention for the money they're investing in skilling. In reality, when you dig in you realize in the grand scheme of things by percentage, not as much money is being spent as you might think. Investment is frequently cited as a barrier to investing in their workforce. What would you say to an organization that's hesitant, fundamentally hesitant, to invest in the capabilities of its people?

John: You know, I think the key challenge is to shift the mindset. When we talk about learning, typically most companies focus on training programs and programs to take people out of the work environment, give them some new skills and knowledge, and then put them back to work. And that requires investment. You have to develop the programs, there's the opportunity costs of taking people out of the workplace. The learning that I believe is most important and valuable here is learning in the form of creating new knowledge in the work environment by addressing unseen problems and opportunities. And if you focus on creating an environment where workers can do that much more effectively and are encouraged to do that, that does not require a significant amount of investment. And you're getting the value upfront, the learning is actually a by-product. The value comes from workers who are addressing unseen problems and opportunities to create more value. And as a by-product,

they're learning, they're exercising their capabilities. I will also say that in my view, the capabilities, the more you exercise those capabilities, the faster you're going to learn new skills. If you have curiosity, imagination, creativity, that's a driver to acquire whatever skills you need to have the impact that you're looking for. And so I think that shifting that mindset from, "Oh no, it's investment upfront, and maybe someday we'll get a return on that investment," to "No, it's action today that delivers real value to the company, and as a by-product learning occurs." That's a very different way of thinking about this, and I think makes it much more attractive from an economic viewpoint to say, "No, the impact is upfront, it's not down the line, and it's modest investment to actually do this."

Michael: I think the organizations need—if there's a fear of investment, this is an ideal approach to bite-size it. Both in critical capabilities like resilience, like creativity, there's ways to pilot that with a certain set of audience and create some value and some wind behind you to be able to think about it more enterprise-wide. And also in critical workforces from skill. When you have a key workforce that has specific skill sets that you know has changed rapidly, you need to create a consistent capability and skill transformational effort for that workforce and bite-size it, and show the value to the organization in terms of performance and link it to something that has direct, whether that's in sort of a compliance-based less risk, whether it's sales placement or sales, where there's productivity and more sort of back office or supply chain aspects. There's ways to tie the business and show the value to the rest of the organization.

David: Michael, that seems like a great way to start to wrap up today's conversation. What would you tell our listeners, what's one thing they can go do now in terms of maybe a shift in investment, shift in perspective in how they're approaching their workforce, especially in this context of how to make your workers more resilient by way of human capabilities?

Julie: I'd suggest thinking about two things. First of all, just to go back for a moment to the idea of what's the business case, or what's the point in me really taking this step and investing in my workforce? I would use the counterargument of what happens if you don't? Because other organizations clearly are. We know, David, from the upcoming study that you've been helping us drive around high-impact workforce that the higher performing organizations are 37 times more likely to help workers accomplish long-term career goals. I don't say that to steal your thunder, but I say that because I think it's such a compelling example of—organizations are going to invest. And so if you want to succeed in this world, where pretty much all we have is our people and their ability to solve these unforeseen problems, we have to invest. And that investment—one thing I would encourage organizations to be thinking about and taking a deeper look at is how can they create more and interesting, different type of work for their people that they already have. So, eliminating and reducing talent, hoarding, fostering talent mobility through marketplaces and gig opportunities, recognizing and rewarding team leaders for sharing talent, creating ways to organize work in a more project-oriented way, creates those moments for people to do different types of things and flex different muscles. Cross-train in the fitness sense. And ultimately, that's a phenomenal way for us to really help our workers get there and help our organizations get there.

David: John, last word to you. And I'm going to tee it up this way. And I think you've hit on various points related to this so far, so it should be pretty easy. In listening to both Michael and Julie, I hear a pivot from where maybe this conversation, the whole conversation we've had today about skills and capabilities and support. Maybe this isn't a conversation about workforce development at all, and it's just a conversation about the work, and reinventing the work, and the potential for new ways of working. And it just so happens there's humans that do it. So, we might need to think differently about

how those humans behave, and do, and act, and excel, and so on. What's your sort of one thing, you're talking to the CEOs of companies all the time, to convince them that that's what we're talking about? We're not talking about learning and development at all.

John: You know, I think in my experience, it's focusing on the mounting performance pressure that all companies are experiencing. We live in a global economy where there's intensifying competition, accelerating change. If we don't find ways to accelerate capability building and skill building, we're going to be increasingly marginalized. So there's that issue. Don't try to do it all at once for everybody. Start with some real significant pain points that you're currently experiencing from a performance viewpoint. Redefine the work and help cultivate the capabilities of the workers in that particular part of the company, and that will start to generate real impact and value quickly. And be explicit about the metrics that matter. So how are we going to measure our progress in terms of capability building and skill building? What are the operating metrics that will deliver the most value to the company? And track those relentlessly and iterate and refine as you go based on that. And I think the other final point I would just make is not only are companies under mounting performance pressure, but so are all of us as workers and people. And so the companies that find ways to cultivate capabilities and help people accelerate




their skill building, those are going to be the companies that attract and retain the most talented workers, the workers that are most motivated to learn and upskill and exercise the capabilities. If they are in a company that's not doing that, they're gone. They're going to find a company that's focused on this. So, you're going to lose your best talent if you don't find a way to change the environment, redefine the work, and cultivate capabilities.

David: Thank you very much, John. And thank you, Michael. And thank you, Julie. And thank you audience for joining us today. Until next time. With reskilling as important as ever, with organizations on the line to help their workforces remain viable and relevant, it's time to shift how we approach workforce development. To adopt strategies that explicitly build worker and organizational resilience by betting on our very capacity as humans to grow and reinvent. By investing in those capabilities that make us distinctly human. This will equip our workforce with tools and strategies to adapt to a range of uncertain futures, while also making sure we have those skills we need for the short term. Thank you to Allison Salisbury for sharing her insight, and thanks again to my Deloitte colleagues for digging deeper into reskilling and its impact on the future of work. Remember, in addition to tuning in to our podcast series, you can also read the report online at www.deloitte.com/HCTrends. Let us know what you think about Capital H, rate us

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