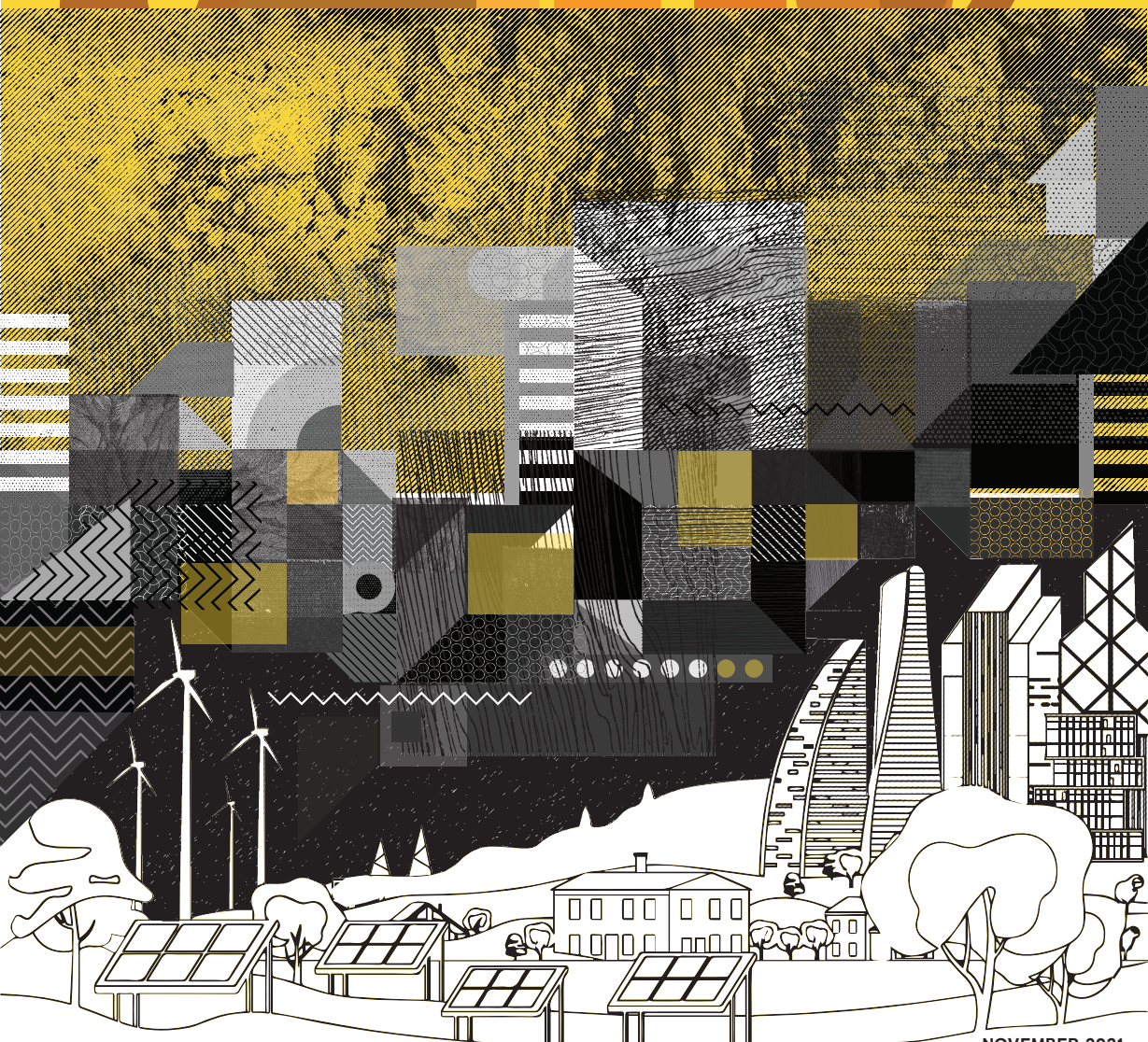


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emergence

in unexpected places



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NOVEMBER 2021
VOL 04 / ISSUE 02





TALENT PORTFOLIO AGILITY

New World of Work Characterized by Disruption

Nick Horney

Laura Santana



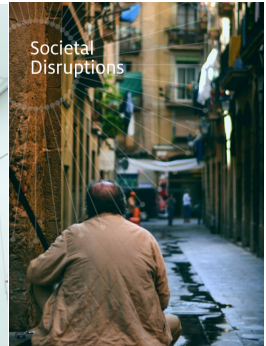
Consumer-Related
Disruptions



Technological
Disruptions



Industry-Related
Disruptions



Societal
Disruptions

Exponential change and continuous disruptions are at our doorstep. In just a few short years, the talent landscape will look completely different to what it is now. While the specifics may vary by industry, no organization is immune to some of the major shifts that are already underway. Organizations need to quickly adapt their talent strategies, systems, and practices to take full advantage of the breadth and versatility of the resources available to them. Those that act with foresight and agility will be able to thrive in the New World of Work.

The World Economic Forum states that we are on the brink of experiencing a Fourth Industrial Revolution. Some predict that, in the next five years, we will undergo changes in multiple aspects of our lives on a scale comparable to what we've experienced in the previous 50 years. We're beginning to see the early signs of the unprecedented velocity, scope, and impact of these changes in the workplace. By getting a better grasp of what's coming and acting on some of the insights outlined in this article, you can ride the wave to a more agile and prosperous future instead of being pulled under by the current.

Organizations don't exist in a vacuum, nor does their talent. World-class organizations establish line of sight between their talent and organizational strategy as well as the outside forces that shape it. This requires a keen ability to monitor and anticipate changes in the external environment, understand their potential impact, and respond proactively. As the world becomes increasingly more complex, dynamic, and competitive, the ability to read and respond to disruption becomes both more important and more challenging.

Organizations that are able to apply Talent Portfolio Agility (TPA) to these talent disruptions will position themselves to increase engagement, elevate their employer brand, and gain access to a larger talent pool. Additional benefits include reducing vulnerability to shifts in the market by quickly realigning talent strategy, harnessing the diverse and dynamic talent base to accelerate culture change, and thriving during talent shortages.

HYBRID WORK DESIGN

The COVID-19 pandemic accelerated the need to rethink how, when, and where work is accomplished in this New World of Work. Those studying the implications of hybrid work include IBM, Microsoft, and Gallup along with large consulting firms like McKinsey, PWC, Deloitte, and AON. The Hybrid Work Design sense of urgency by most organizations presents a unique opportunity to understand the nature of work itself, to improve remote support for a range of work practices, and to use what we have learned through remote work to improve in-office and hybrid practices.

Talent in the Hybrid Work Design era is changing in five overarching ways:

1. How the Work Gets Done

The work we do on a daily basis is becoming more team-based, project-based, and multi-disciplinary.

2. When and Where the Work Gets Done

Work is increasingly becoming more global and virtual, and it can happen at any time and any place. We're also seeing a rise in temporary teams coming together for a specific goal and then dispersing—sometimes referred to as the “Hollywood Model” of teamwork.

3. Who Does the Work

Projects are more often staffed with a mix of internal and external talent. Additionally, it is increasingly becoming more diverse in age and experience.

4. What Does the Work

Within the next five years, technology could be performing as much as 30% of tasks commonly performed by people in today's workplaces.

5. Tools for Managing the Talent

Big data, predictive analytics, and the rise of talent platforms, such as Seek and Upwork, put powerful tools in the hands of managers . . . if we know how to use them properly.



THE GIG ECONOMY AND TALENT RESOURCES

In our interconnected, globalized world, the gig economy is a widespread phenomenon that promises to touch every corner of the globe. Part of this seismic shift is spurred by employers. Randstad found that nearly half of employers express a *greater* commitment to building and utilizing an agile workforce, which is a 155% increase over the last 4 years. Not only is the shift being driven by employers, it is also being driven by the employees of any particular industry.

Whether your organization is ready for it or not, studies show that a considerable segment of your employees are likely considering the shift to working independently. McKinsey found that as many as 1-in-6 people in traditional jobs would like to switch to being primarily independent.

Even if only a fraction of current employees actually make the jump to being independent, most organizations aren't ready for such a sizable disruption, especially if it affects their top talent. Despite a growing desire to work independently, most organizations aren't thinking about how to retain existing employees who are considering independent work and few organizations are putting any effort into motivating and engaging existing or future freelance workers.

Instead, most companies are operating in a decades-old paradigm when it comes to talent. New ways of thinking about—and managing—talent are desperately needed to compete in the digital era. (Horney, 2016).

GOING BEYOND THE BAND-AID

Chances are if you think about “short-term talent”, you think of it as a “Band-Aid” to address an immediate need. Using independent workers to cover a brief talent gap or when an occasional specialized skill is required might make sense, but this limited approach can leave a lot on the table. *There is much more to be gained by taking a longer-term perspective on short-term talent.*

Here are five ways your organization could take a wider view of short-term or independent talent, which might also include former employees who are loyal alumni of the organization:

1. Experts in Residence

Having a “secret weapon” for strategically important work, or using outside talent to raise their colleagues’ collective capabilities could be a significant asset to your organization.

2. Mentors for Hire

Consider finding someone who could spend time nurturing the skills of less experienced employees to prepare them for bigger responsibilities.

3. Brand Ambassadors

Successful freelancers form strong networks with others in their respective industry and/or profession and, if one of them has a positive experience with your organization, it could help you tap into a whole pool of people that could dramatically enhance your current capabilities. Of course, the opposite effect can also occur.

4. Cultural Catalysts

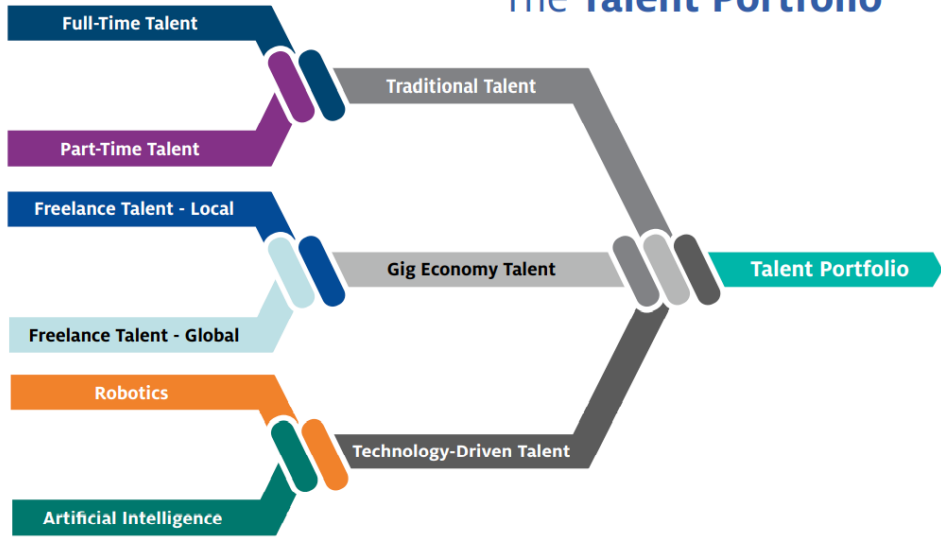
Finding someone who can bring an innovative mindset or exemplify a particular set of values might help you make an important cultural shift.

5. Transitional Talent

Rent-a-CXO's are a happening trend. An independent worker could be the right move if your organization needs to grow rapidly without derailing or needs to weather an unexpected transition.

This isn't an exhaustive list and only touches upon some of the possibilities for tapping into this often underutilized source of talent. We encourage you to further imagine—and experiment with—new approaches to getting the most out of your short-term talent.

The Talent Portfolio



AN ORGANIZATION'S TALENT PORTFOLIO

The need for new ways of thinking about talent goes beyond the gig economy. We suggest thinking about your overall talent equation as part of a three-pronged portfolio, each with two subsets. The first prong is traditional talent—your current full-time and part-time workforce, which likely makes up the bulk of your existing portfolio. The second prong is gig economy talent, including freelance talent either locally or globally. And the third—which should be the subject of another white paper entirely—is technology-driven talent, including robotics and artificial intelligence.

It's important to make sure your talent portfolio matches your organization's strategic needs rather than perpetuating what might be an outmoded approach just because it's what everyone is used to doing. Just like diversifying your financial portfolio, here are some important questions to consider when building a diverse talent portfolio:

- What are we trying to accomplish?
- What is our risk tolerance?
- What is the right mix of assets?
- How do we anticipate and adjust to changes in the market?
- How do we measure our performance and the performance of our various talents?

Guardian Life Insurance Company CEO, Deanna Mulligan, offered the following talent management perspectives.

Founded in 1860, the Guardian Life Insurance Company of America is one of the largest US mutual life insurers. Yet history and scale offer only limited protection against technology driven disruption. The 158 year-old company is responding not only by adopting artificial intelligence-based technologies but also innovating its approach to talent management.

Traditionally, in the talent process, we benchmarked ourselves against other insurance companies. Now, we're expanding. We have [hired] people from credit-card companies and media companies. We are trying to recruit people who have been through a disruption in the past and can lead us through the new disruption. By and large, that's not people from insurance companies.

One of the things we're discussing as a leadership team is the gig economy, which extends from Uber drivers all the way up to CEOs. How we can make use of the talent that wants to be independent? How can we bring in people who normally we would hire as officers, but bring them in to do specific jobs, because some people want to work that way? We're retooling ourselves, for the way not only millennials want to work as our employees—but also to be flexible, also for people who are not our employees. We want to provide the space and technology that they'll need.



SIDEBAR – DAY-IN-THE-LIFE (FOR DISCUSSION USING THE AGILE MODEL AS THE LENS.)

A Day in the Life of Sam

Let's take a quick look at a typical "VUCA day" in the life of Sam, a Chief Learning Officer for a global consumer products company. Today Sam's day starts at 4-4:30 AM conducting a conference call from home in the U.S. with a global team from Europe, Asia, India, Mexico, Canada, and U.S. From 4:30-5:30 AM, Sam reads and responds to the 180 emails she has accumulated overnight. After a quick breakfast with her family, she departs for work at 7 AM and while commuting makes 3 calls to key managers for updates for the upcoming staff meeting. At 9 AM Sam joins her peers for a staff meeting with her boss, the SVP, Human Resources. At 10 AM, she is interviewed by an executive coach about one of the company's high potential leaders based in Asia but is interrupted by a call from the president of the company's European business unit with a critical talent-related issue. She reschedules the meeting with the executive coach to discuss the HIPO. At 11 AM

Inside the company, we're thinking very hard about the link between talent and strategy. We're thinking about how we can free up people in our HR department to focus almost exclusively on talent. Every Friday, our executive-leadership team is meeting for a talent-priority discussion. We're putting a lot more responsibility on the business people to work with HR—to perform what some people might have thought of traditionally as an HR function.

Let's try to push forward the people who really drive the business. Let's make sure that we're looking at people at all levels in the organization for what they do, and how they serve the customer, as opposed to where they are in the hierarchy.

The entire company is being transformed to be more agile.

At Guardian, we have a lot of time and a lot of resources, and we are very mission driven. And we are retraining our people and reskilling our people to meet the future.

But I started to think: What about companies that can't do that? What about employees who work in places where they maybe won't be prepared for the future, or people who are unemployed and not yet employed? What is our responsibility? What's our role in society, and as leaders of society, to think about how to retrain and reskill our population? At this point, I don't know a Fortune 500 CEO who isn't deeply concerned about this issue and whose company isn't trying to help solve this problem.

(Source -- <https://www.mckinsey.com/business-functions/organization/our-insights/the-ceo-of-guardian-life-on-talent-in-an-age-of-digital-disruption>)

All too often, organizations only come to understand their lack of agility after it's too late. Leaders everywhere, read VUCA Masters by Dr. Nicholas Horney and assess your agility vital signs and be ready for whatever comes next in our VUCA world.

Chris Ernst,
Chief Learning Officer, Workday

TPA AS A CATALYST TO PLAN AND IMPLEMENT YOUR HYBRID WORK DESIGN

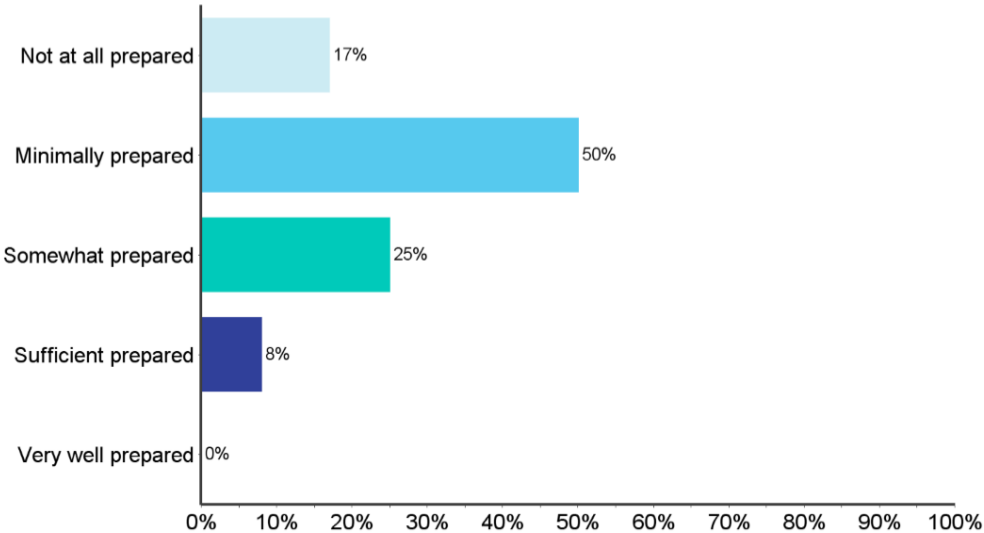
Companies across the world have adapted to the challenges brought about by the pandemic. Deploying millions of remote workers was an immediate way to contend with the challenging situation, but this was simply the first step in ensuring business continuity. Facing uncertainty and strict mandates to minimize fixed human capital costs, many employers turned to contingent talent where possible, while also making strategic hires that bolstered their workforce for the long term. By redefining work, and deploying the precise kind of talent that is needed, human capital leaders have helped organizations position themselves well for the global recovery following this pandemic.

Firms are implementing more flexible talent models to quickly deploy their talent to the highest-priority work. This “flow to work model,” uses pools of internal talent *“formed based on similarity of skills, rather than business functions, making it easier for organizations to access the right skills when they need to. The leader of these resource pools matches and deploys workers to tasks or projects based on the highest-priority work areas for the organization and the combination of skills required to complete them.”* (Foote, E., Hancock, B., Jeffery, B., and Malan, R., 2021)

In Randstad Sourceright’s 2021 Talent Trends research, 77% of C-suite and human capital leaders say their talent strategy is now more focused on workforce agility than ever before, with 56% expecting to shift more of their roles to contingent, project, or contract work. This indicates a clear move toward a more flexible approach to talent, while still maintaining key expertise and skills



To what extent are your organization’s leaders prepared to manage a diverse and dynamic mix of AI, robotics, short-term talent and full-time employees?



within the permanent workforce. Striking such a balance is the key to a more agile workforce.

Aon, in association with Business Insider, just released the 'Future of Work: 2021 & Beyond' report to dig deeper into how firms can continue to prepare and adjust to the changing nature of work, the workplace, and the workforce. This 36-page report touches on topics such as workforce planning, upskilling, and reskilling, to name a few. Aon's report includes a set of questions that firms can answer as they develop aspects of their workforce strategy:

1. *Who should work from the office?*
2. *Do we still need a 5-day/40-hour work week?*
3. *How can business leaders identify ways to save money while enhancing workforce agility and resilience?*
4. *How can businesses improve mobility and equip business leaders with much-needed digital leadership capabilities?*
5. *How receptive is the workforce to change and ambiguity in an evolving journey?*

Aon summarizes the nine workforce-related activities firms are re-evaluating in light of the pandemic. Not surprisingly, "employee wellbeing (physical, emotional, social, financial, and work/life balance; remote work; flexible work schedules; and manager/leadership training" top the list.

Figuring out the right mix of talent and demonstrating TPA for your organization will take time and effort. But by carefully considering the TPA framework as a catalyst for Hybrid Work Design in the New World of Work, you can better engage current employees and independent workers as well as integrate human talent with technology-driven talent for a more future-ready organization.

These shifts might sound intimidating, or even overwhelming. In order to adapt and readjust to these new realities, you'll need five core capabilities associat-

ed with organizational agility. We selected the Agile Model® to guide our thinking on these capabilities due to its extensive research since 2001 (e.g., Agility Consulting Research Reports, Dissertation Research, and Research by other social scientists investigating the core behaviors of Leadership, Team, and Organizational Agility).

THE AGILE MODEL®



Focused, Fast & Flexible™

The Agile Model® provides a framework to ask how your organization:

- Anticipates Change by clarifying where it's headed, identifying small signs of change, and monitoring trends among stakeholders;
- Generates Confidence by connecting tasks with strategic goals, aligning strategy with structure, and inspiring engagement;
- Initiates Action by promoting urgency, authorizing decision-making at the right level, and facilitating work across groups;
- Liberates Thinking by supporting creativity, focusing on customers' needs, and seeking many perspectives to solve problems; and
- Evaluates Results by clarifying desired outcomes, providing timely feedback to each other, and using valid data to guide decision-making.

ILLUSTRATIVE EXAMPLE OF APPLYING TPA AS A CATALYST FOR HYBRID WORK DESIGN

By identifying the biggest gaps between where you are and where you need to be, you can ask yourself which elements of the Agile Model® you should prioritize. From there, you can figure out what makes sense to tackle first.

If you're feeling stuck and worry that your organization might be stuck in the past or could fall behind the inevitable changes in the workforce, consider using TPA as a mindset and approach for bringing your organization into the future you want.

The Talent Portfolio Agility™ (TPA) process provides the insight you need. Much like a financial advisor would sit down with you to do a thorough assessment of your financial portfolio and help you form your investment strategy going forward, we've developed a similar approach to assess your current talent portfolio and determine how your organization can be more agile in identifying and adapting to continuously changing talent needs.

1. Interviews

Interviews were conducted with members of the organization's executive team and other key stakeholders representing different regions and functions. The structured interviews touched upon a number of topics related to the organization's business challenges and related strategies, disruptive forces in the broader business environment, the make-up of the organization's talent portfolio, and perceptions of the agility associated with the organization's talent mindset, practices and people. Of 22 individuals identified to participate in the interviews, 21 took part for a completion rate of 95%.

2. Assessments

Three self-assessments were administered to gather quantitative data to complement the qualitative insights from the interviews.



TPA Audit Framework



Marketplace Perspective

What market challenges or turbulence might *disrupt* how work is done in your organization or industry?



Organizational Perspective

What is your organization's current strategy and **mindset** about its talent? What is the impact of your organization's strategy and culture?



TPA Mindset Assessment

What is your organization's talent philosophy (e.g., practices, policy, culture, etc.) and how is it demonstrated?



TPA Process Mapping

What are your current talent portfolio processes (e.g., acquisition, development, etc.) and how do they enable your organization to be agile?



TPA People Capabilities

What is the agility of your current talent portfolio and their ability to flex to changing market needs?



Data Synthesis & Report Preparation



Leadership Team Meeting/Scenario Action Planning

TPA Transformation Solution



TPA Mindset Audit

What is your organization's talent philosophy (e.g., practices, policies, culture, etc.) and how is it demonstrated?

Talent Portfolio		
1	Describe the current makeup of the organization's talent.	
2	In what ways are you utilizing an extended workforce (freelancers, contractors, consultants, etc.)?	
3	Have you made or do you anticipate making any investments in AI or robotics? Seen any outcomes?	
4	Do you anticipate any shifts in your talent mix in the foreseeable future? What's prompting those shifts?	
Talent Mindset		
1	Tell me about the organization's talent mindset (i.e., the organization's underlying attitudes, beliefs and habits of mind about talent and how it should be managed).	
2	What are some adjectives you would use to describe the organization's talent mindset?	
3	How does it manifest itself in terms of people and practices?	
4	What's at the root of that philosophy or mindset?	
5	How deeply rooted are the organization assumptions and beliefs about talent?	
6	Who are some of the key influencers of the organization's approach to talent?	
Talent Process		
1	Walk me through what characterizes your talent processes. What's working and what's not? Any recent changes or relatively static?	

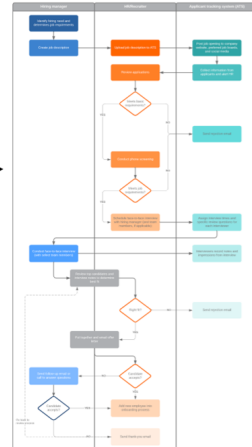


TPA Process Audit

What are your current talent portfolio processes (e.g., acquisition, development, etc.) and how do they enable your organization to be agile?

Talent Planning
Talent Acquisition
Talent Development
Talent Performance
Talent Experience

1. Talent Risk **Is** Business Risk



TPA People Audit

What is the agility of your current talent portfolio and their ability to flex to changing market needs?

	Visioning				Sensing				Monitoring			
Anticipate Change -- All	3.33	3.21	3.20	3.25	3.36	3.26	3.24	2.85	2.76	2.99	3.00	2.90
AC - Sups	3.23	3.25	3.14	3.23	3.30	3.21	3.18	2.68	2.57	2.57	2.99	2.84
AC - Non Sups	3.53	3.21	3.32	3.40	3.50	3.37	3.37	3.21	3.12	3.06	3.12	3.00
Generate Confidence -- All	3.19	3.20	3.22	3.32	3.33	3.37	3.23	3.25	3.48	3.23	3.30	3.14
GC - Sups	3.17	3.20	3.21	3.30	3.17	3.34	3.22	3.29	3.30	3.25	3.27	3.31
GC - Non Sups	3.19	3.21	3.26	3.35	3.05	3.41	3.25	3.19	3.44	3.19	3.37	3.22
Bias for Action												
Initiate Action -- All	3.35	3.21	3.16	3.39	3.34	3.00	3.31	3.23	3.40	2.95	3.46	3.15
IA - Sups	3.32	3.13	3.00	3.33	3.38	3.03	3.23	3.30	3.39	2.88	3.43	3.15
IA - Non Sups	3.40	3.16	3.18	3.52	3.24	2.96	3.48	3.11	3.43	3.11	3.52	3.20
Bias for Innovation												
Liberate Thinking -- All	3.02	3.14	2.78	3.16	3.02	3.08	3.11	3.20	2.96	3.19	3.38	3.34
LT - Sups	2.88	3.14	2.74	3.14	3.02	3.08	3.08	3.11	2.87	3.13	3.36	3.36
LT - Non Sups	3.30	3.13	2.86	3.20	3.15	3.43	3.19	3.38	3.12	3.31	3.42	3.31
Customer Focus												
Collaborating												
Idea Diversity												
Creating Expectations												
Real Time Feedback												
Fact-Based Measures												
Evaluate Results -- All	3.27	3.13	3.37	3.22	3.22	3.15	3.48	3.34	3.10	2.94	2.57	3.02
ER - Sups	3.30	3.13	3.37	3.21	3.23	3.18	3.49	3.20	3.17	2.89	2.56	2.95
ER - Non Sups	3.20	3.14	3.37	3.24	3.21	3.10	3.45	3.30	2.98	3.04	2.59	3.15

LAP Aggregate Data HeatMap

Displays Highest to Lowest (within each of 5 Main Competencies) Aggregate Mean Scores for Each of the 75 Items Shown for Combined (All) and Break-out (Supervisor and Non-Supervisor)

a. Talent Portfolio Agility Index™ (TPAI)–Full Version

This comprehensive survey of perceptions of talent mindset, process, and people was administered to the same population that participated in the interviews. Of the 22 surveys, 12 were completed for a response rate of 55%.

b. Talent Portfolio Agility Index™ (TPAI)–Abbreviated Version

This survey addressing overall perceptions of TPA, was administered to 81 individuals selected by the organization as a representative sample of its full- and part-time employees as well as freelance talent. Of the 81 surveys, 41 were completed for a response rate of 51%.

c. Individual Agility Profile™ (IAP)

This validated assessment of individual perceptions of the five core behaviors of leadership agility was administered to the same group of 81 individuals who received the abbreviated version of the TPAI. Of the 81 assessments, 54 were completed for a response rate of 66%.

3. Archival Data

Archival documents were reviewed to provide additional context as well as depth and breadth of insight to the data gathered from the interviews and assessments. They included the following:

- a. Overview of key initiatives related to the organization's talent strategy
- b. Process maps and other documents detailing various organization's talent processes
- c. Recent engagement survey data

4. RUPT™ Report

An in-depth study was conducted to identify various disruptive forces that exist in the organization's industry sector and their potential impact on their talent. A total of 12 specific disruptions were identified across the broader categories of consumer-related, technology-related, industry-related, and societal disruptions.



Talent Portfolio Agility™
RUPT™ Report for Healthcare



Disruptive Trends Impacting the Healthcare Industry
and Their Implications for Talent

February, 2019

Dr. Nick Horney & Dr. George Hallenbeck

(RUPT Report for Healthcare was co-created by
Agility Consulting and the Center for Creative Leadership.)

SUMMARY AND RECOMMENDATIONS

Applying agility to an organization's current talent management strategy, mindset, processes, and people can accelerate the firm's transformation to Hybrid Work Design. Utilizing a framework like Talent Portfolio Agility™ (TPA) can serve as a catalyst for this transformation. The TPA process is relevant to every business challenged with implementing some version of Hybrid Work Design and can serve as a useful complement to the skills of Agile coaches and other Business Agility professionals.



Nick Horney Ph.D.

Founder, Agility Consulting (2001), Author: VUCA Masters: Developing Leadership Agility Fitness for the New World of Work (Psychologist and Retired Captain, Navy Special Operations). Since 2001, Nick has consulted with leaders to help transform their vision to action by anticipating change and building more adaptive capabilities to become focused, fast and flexible.



Laura Santana, Ph.D.

Her career has spanned the domains of leadership development, executive coaching, mindfulness facilitation, hospice care, fitness, and integral wellbeing. She has worked across sectors, languages, cultures, continents—with volunteers of NGOs, C-suite executives, and the spaces in between. She is a Founding Partner of Elevate Institute and a Global Leadership Development Consultant

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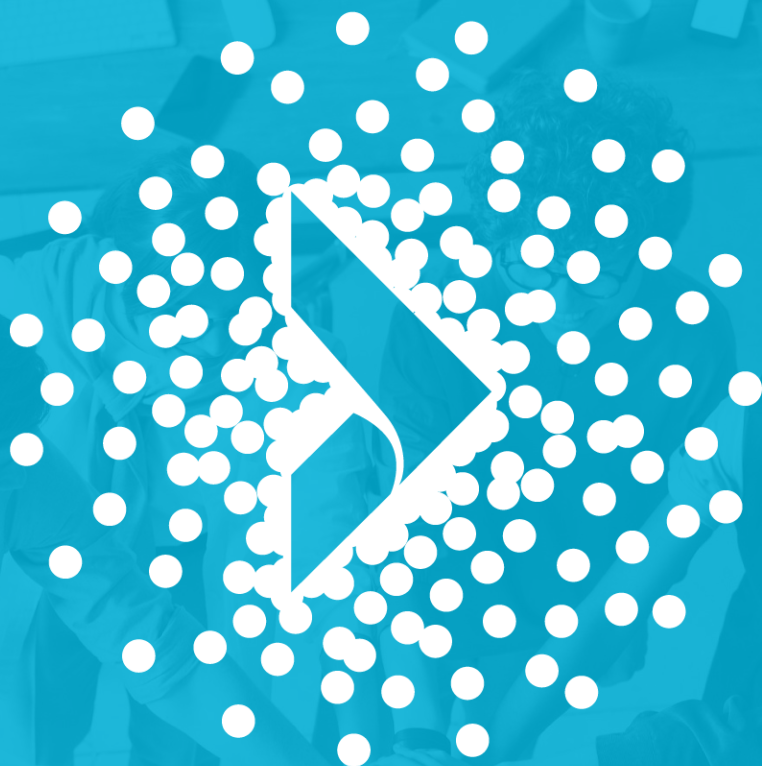
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