

TRANSCRIPT: How the talent marketplace has become the new core of people strategy

Brian Hershey (00:10):

Okay. Now I'm gonna turn it over to you, Josh and Kathi, and to get us started here, maybe we can start by setting the stage and, and have you kind of provide us, provide, provide the audience joining us today with a quick overview of the HR landscape, the labor market priorities. There's been a ton of dynamic things going on just, just in the beginning of 2023. So much change. Where are we at? And how can we set the stage for today's conversation?

Josh Bersin (00:42):

Okay. Do you want me to start? Sure. Yeah. Go ahead, Scott. Okay. So let me just give you a minute or two on why this talent marketplace thing is so essential. We have economically, of course, a slowdown in the economy. Maybe there'll be a recession, maybe not. Interest rates have gone up. They're gonna probably continue to go up. Eventually, interest rates will cross with inflation, and then we'll be through that. But we're not there yet. Inflation is slowly coming down, but despite the fact that economic activity is slowing, the labor market is more competitive than it has been in 55 years. The unemployment rate is as low as it was in the early mid-1960s when I was a kid. A lot of you maybe weren't even born. And it is gonna get lower for a variety of reasons.

A lot of people have left the labor market because of the pandemic, or they've retired. A lot of young people have decided to work in a more flexible experience because they don't feel they're getting paid enough to work full-time. The fertility rate is way below replacement. And every developed economy, including the US, the UK, Germany, Japan, and China, the only place where the birth rate is high is in India and Africa. The United States has a lot of

immigration, frankly so we don't have the problem, but it's expected to be a lot worse before it gets better. And by the way, this is not a quick turnaround. This is not gonna get fixed overnight. Most of you're working for companies that are moving into new industries at an accelerating rate. A piece of data on that. Two weeks ago or last week, the PWC CEO survey uncovered that of the 2000 CEOs they interviewed, 40% of them believe the company they are leading will not exist in its current form in 10 years.

So whether you wanna worry about chat G P T or global warming, or some other technology disruptor, all these industries are merging. And so the need for new skills and new talent models is everywhere. And then we have this issue that a lot of employees are just burned out. You know, we've been through the pandemic, we've been through remote work. Hybrid work is still more of a theory than a reality in most companies. I mean, I know a lot of companies that are forcing people to come back to the office and they're not sure why, but they're doing it anyway. So we have to deal with the fact that the only way a company can grow is through people. And I have yet to find a company that has no people. And in fact, the most technologically enabled companies seem to have the most people.

And we need to move people into new roles faster. We need to fill positions internally if possible because sometimes it's impossible to fill them externally. And then there are all the drivers of the book I just published that talk about the fact that if you wanna be an adaptive organization, by the way, we're doing a bunch of research with Gloat right now on what it means to be an adaptive organization. You have to learn how to move people around, develop them, create care, and career pathways, and to some degree focus on work, not jobs in order to grow. So, all of these economic conditions have collided right now. And the number one thing we seem to hear from companies is, I need to do a better job of engagement, retention, development, mobility, and the talent marketplace in some ways.

One more point, and then I'll be quiet and let Kathi talk. You know, the history of talent management, which I was involved in at the beginning of it, was pre-hire to retire. It was, you join the company. When you come outta college, we take you up this stair-step approach. You get promoted, you hit the Peter principle, you top out, you retire at the age of 65, go home and take care of your family and do some other stuff. You know, now we live into our nineties or our hundreds. We have many, many different careers and jobs and employers during our lives. Most people have the opportunity to work on gig projects while they're working full-time or

separately. And a lot of those talent management systems that were designed in the early 2000s aren't that useful anymore. They just don't do what we want the company to do. So the talent marketplace idea that Gloat has really led is eating away the HR technology market from the inside. And it's because it's facilitating all of these transformations to take place. So that's, sorry. Long answer. Brian

Brian Hershey (05:41):

<Laugh> Thank you, Josh. Kathi, is there, is there anything you'd like to add?

Kathi Enderes (05:47):

Well, almost nothing to add to this, Josh, you said in almost all the only other point I'd add from our research is we studied many different things. We studied learning and development. And guess what? A talent marketplace is one of the most impactful things you can do in learning and development. We studied organization and work design. And guess what, the most high-performing, most agile organizations actually use the talent marketplace. The CIO of Telstra, an Australian telecommunications organization, talked to me about how they went completely agile. She said to me when I asked her, how did you do this? She said you couldn't, it's impossible without a talent marketplace, it's impossible. You couldn't do it right, because you don't know how you staff these agile projects. When we study talent acquisition, the same thing comes up as well. So when we study talent acquisition, internal mobility, and using talent marketplaces to hire from within and just basically redeploy people into different positions, also came up as one of these most impactful practices. So I think the reason why this is so transformational is it doesn't fit into one of the buckets of HR, right? Who owns it? Is it, is it learning? Is it talent acquisition? Is it organization effectiveness and design? It crosses all of them and really turns it on its head. So, so just a little bit to add to that from our research.

Brian Hershey (07:11):

Absolutely thank you both for getting us started with some interesting thoughts. And we agree you know here at Gloat we see that as you said, Josh there, there is no enterprise without people and, and the enterprise really is people and work to be done. And, the talent marketplace is really just a new and more efficient way to connect those two things. And we can finally do that with, with the technology that's now available. And yeah, we think it's, it's good timing as well given, given what's happening in the market. So there are a lot of different you know, directions. We could, we, we could take this conversation. I thought it might be interesting for us to focus on careers and, and, and on people. I think now is really a moment where companies realize they need to really be listening and understanding the needs of their people more than ever. So they can deliver on their people's careers, but also deliver to the needs of the business. How, in your perspective, has the relationship between employees, and the concept of a career itself kind of evolved over time, and where does the talent marketplace fit in all of that?

Josh Bersin (08:21):

Okay, well, I'll start on that one too. I think the most interesting book I read in the last couple of years on careers is a book called Range. And it's a, it's written by a researcher about, it's about training and education, but what he goes through is something that I think most of you may understand or not, that the most successful athletes, media stars, politicians I'll leave politicians out for a minute. Business people, <laugh>, have had careers that jumped over the place because you know, it used to be, as I said, a career was you go, took one job in one industry and you stayed in that industry and you stayed in that domain, and then you retired. And that was the way I was raised when I first got outta college. And of course, as most of you know, it never quite goes like that.

And the more varied experiences you have as an individual, the more pattern matching, the more perspective, the more wisdom, and the more judgment you get. And so his book essentially talks, it's a book a little bit about learning, but it's really about the fact that you know, success is never a linear path. And what happens early in people's careers is they're sampling, they're trying things, well, let me try this. You know what, I kind of like that, but I don't like it, so I'd like to try this. And so successful careers now, and young people know this.

I mean, they just know this because they, you look at their resumes, they're changing jobs every year or two, and it's not considered to be negative. So they're sampling things, they're trying things, they're learning what they're good at. They're developing themselves in new ways, and that's what success looks like.

And the CEO who grew up in the same company his whole life and just made it to the top, yeah, they're still out there, but they're a lot less common than you might think. And that means that in order to facilitate that kind of career, we need a system and a tool set inside the company. And by the way, the flip side of that is the company needs people that can move around because the company is adapting too. So given this much more circuitous career experience that we all have if we wanna stay with one company and the company wants to keep us, how do we do that in a company that doesn't even give opportunities to go outside of the domain I'm in? That's why everybody's leaving. That's why 30 to 35% of the workforce is quitting every year. And by the way, of those people that are quitting, 45% of them are changing industries. So they're doing this on their own. So, I think this whole redefinition of career is in some sense, fundamental to why this is such an important innovation.

Brian Hershey (11:12):

Absolutely. Yeah. We can't put people in boxes anymore. I think that's something we've, we've, we've learned in our work with organizations. Kathi, if, if I recall actually, I think you have a Ph.D. in math or something like that. So you're an amazing example of this as well. What are your thoughts on, on kind of where we've come from in terms of careers and, and kind of where organizations need to go in terms of helping, helping design careers for employees?

Kathi Enderes (11:39):

I was thinking back exactly on my career, and I started out studying, and I actually have a Ph.D. in abstract mathematics, which of course, ...

Josh Bersin (11:51):

That explains everything, Kathi. Now I understand

Kathi Enderes (11:54):

<Laugh>. I know, exactly. And I started at university because I wanted to teach there. And then I'm like, it's, this is not really for me because it was very interesting intellectually, but had no relation to any kind of reality you would ever meet. So I'm like, I don't wanna do that because I wanna go into a place where I can make an impact and impact real life as well. So, so I, I went into management consulting anyway, so I like different career paths, of course, different career opportunities. I think it's very, very common. And if you ask anybody how they came to be an HR leader, for example, hardly anybody said, I studied HR at school. They come from different places, usually, right? Most people don't, didn't, didn't set out to study hr. I did. Certainly didn't set out to be a researcher and an analyst in the HR area, but it still happened that it excited me.

And when I look at what you just said, Josh, about the younger generation switching jobs all the time, when I'm thinking about my kids and I have an 11- and 13-year-old girl at home, they're not thinking about working for one company at all. They're like, well, why would I do that? That seems kind of silly. Why would I just go with one company? Can I do a little bit of work here? And then I go surfing and then go swimming, and I do a little bit of work there. So they're not even thinking about the same career trajectory that maybe we set out where we said, okay, pick something and then get rated and, and advance in it. They just wanna have a better life and a more integrated life with their career as well. So I think it's, it's right on. And what, what's in the middle of all of this is of course skills, right? Because if you're not looking for a specific title or position, you're putting together your career based on what skills you have and how you can deploy them, maybe with one organization or maybe with many organizations in many different ways. So I think that from jobs to work and to skills is right in the middle of all of this idea.

Josh Bersin (13:56):

Let me add another one just to think about careers. It isn't only because people want to do this, it's because this is what is the new model of business. I'm going back to the book because it's just fresh in my mind, but most of the company or HR practices of the past were designed around this idea of the industrial scale. More people in the same job, doing the same work for cheaper and cheaper and cheaper to scale, scale, scale, scale, scale. Somewhere in the 1980s or 1990s, that model broke GE and all of those scale-oriented companies fell apart

and were disrupted by innovation companies. And so now, even if you're an insurance company like MetLife, if you're not constantly developing something new and innovating and coming up with new ideas and products and services, scale isn't gonna work. So, we can't even tolerate those careers anymore. The company just can't operate like that. So there are economic reasons why this is happening, not just personal growth desire.

Kathi Enderes (15:04):

It's a really good point. Yeah. I, I think you make a really good point, Josh, because I think that the benefits of the talent marketplace go well beyond employee benefits, right? Of course, it's gonna retain people and engage people and affect people, but you are also gonna have better products and better, better services and more innovative services because you have all this cross-functional collaboration and, and you can staff these projects with the people that wanna go there. And so they do better work. So it's not just cost savings and like, like employee stuff, which is of course important, but better products. And I have a great story. I forgot which company that was, but I just listened to this. It was another Gloat customer who said, who was it Josh, do you remember there? The people that invented a way to engage with hearing-impaired people and their people found these projects on a talent marketplace and they were also hearing impaired, like software engineers for I think it was a bank or something like that. And then they built that on their free time and basically on the, yeah, like 20% time. And so the company didn't just save money, but this company had a new product as well. So, I think that's really powerful.

Brian Hershey (16:21):

Yeah, absolutely. I mean, yeah, we've seen organizations do just unbelievable things when they have a talent marketplace in place. We have pharmaceutical companies that are putting together teams of researchers to help bring drugs to market faster through clinical trial design projects. They're putting new regulatory infrastructure in place and all kinds of business-critical objectives by drawing on the talent that they already have. And just bringing the right people together, the right place at the right time to move the business forward. Okay. I wanna change tack a little bit. We've been talking a lot about the talent marketplace and how amazing it is to have one. Kathi, you started to take us here a little bit by talking about the connection to skills.

Now whether we call it skills or, or capabilities, right? It's about having more granular visibility and understanding of who people are, what they're capable of doing, and what they might be capable of doing, right? Sort of as an adjacent to their current capabilities. And then also what they want to do in the future. You know, things, things that aren't, they're actually passionate about. And creating this marketplace is really about kind of looking deeper in that granular level to skills or capabilities, and trying to align that in a more effective way to work and careers and learning and development you know, to create marketplace liquidity, right? How can you help the audience here? Because it's a big question. Everyone's talking about it. Deloitte's publishing things about it. Accenture, everyone has something to say about skills. What is the Josh Bersin and Kathi Enderes take on skills and the importance of skills in this equation?

Josh Bersin (18:11):

Okay, I'll start and then I'll turn it over, Kathi, cuz we just did a whole thing for our clients this morning. So I don't think anybody would question the fact that we would like to run the company based on skills. This is not a new idea. You know, we don't wanna pay people or promote people based on politics or who knows who or who when to what school, even though that happens. So the question is how do you do this? And so we now have technologies like Gloat that can infer your skills from your experiences, your jobs, things you've written, things in your resume, and so forth. So we've got skills tagging going on all over the place. The problem is how do we organize all that data? How do we structure it? How do we use it for mobility, also for recruiting, also for pay, also for learning, because it's sprinkled around these different platforms?

And the innovation that we've developed working with customers is, not only do you need great technology like Gloat, but you need a capability orientation to look at the business capabilities on top of the skills. Because a skill may or may not be meaningful. The most popular skill in the job market, last time I checked, number one was communication, which is a meaningless word that can be defined in a number of ways. Two was Microsoft Office. So if you just assume that this software is gonna suddenly, magically tell you everything, it's not. You have to put your own intelligence around it. So what a lot of advanced companies are doing is they're using tools like Gloat, which are sort of invisible skills engines, and then

they're building business capability models on top of that to say, people who work in it should have these kinds of capabilities.

People that work in customer service should have these kinds of capabilities. And then the skills will be defined by what, what is missing and what needs to be developed. So, it's a big topic and I'm sure all of you guys are talking about it and thinking about it. And the other thing I would just say about the word skill that's very misleading is, it is not the same as competency in the old competency models. I've been wanting to do this in a podcast, I'll do it next week. But when we used to do this 20 years ago, what we used to say was, here's a job. We'll put a little box around it, we'll give it a title, a level, a description, and then we'll come up with six or seven competencies and we'll pick the competencies out of a book and we'll attach them to the job, and then we're done.

And we'll use those competencies for assessment, recruiting, maybe development, maybe promotion, maybe for performance management, even though not supposed to. While skills are completely different, every word in the English language is a skill. Do you know, if you look at every technology, every tool, every idea could eventually be a way to source somebody or define somebody? So skills are more of a metadata technology than a select out-of-a-book competency model. And so you're gonna have 20,000 skills, you're gonna have 50,000 skills, and they're gonna be changing every day. You know, we work with a company that's probably the largest aggregator of skills data, and they have a changed log on their website that shows how many skills are changing every day. It's got like a thousand changes a day. Kathi, have you looked at that page? It's just staggering. So, anyway, I want to turn it over to Kathi and talk a little more about it. But this is a really big new thing in HR. And thanks to companies like Gloat, you don't have to get in and figure all this out, but you have to organize it and you have to manage it, and you have to make sense out of it.

Kathi Enderes (22:07):

Yeah, I think you, I think you said it all, Josh. I mean skills are obviously not a new concept. I think what's new is that you can infer skills, that you can collect skills, and that you can use the skills in the talent marketplace, for example, to match people to opportunities and to, to gigs and to projects and to open jobs and to mentors and to learning and to like other like gig

opportunities, what, whatever, right? So having the skills in the middle of all of this, and I think that the reason why the marketplace is so fantastic for this is it's impossible to do this without technology.

And I come back to the Schneider Electric case study when we interviewed them, and they said it would've taken us two weeks to make a connection between a person and a mentor, or a person and a project. Now it takes us two minutes and the person can review them. Because I think what's also changed with the talent marketplaces used to be that HR wanted to do it all right, is like it was very top down. We give you the career ladder, the career model, the open project, or the open jobs that you could go to, then you can say if you like it or not. But now it's put into the hands of the employees and the employees can then say, well, these are the skills that I might have. You might, it might also tell you employee skills that you don't even think about because there are so many things that we, we know and that we have done that are not part of our job because we've done many other things as we all, as we just discussed. So uncovering these hidden skills and you, you, you might think, oh my God, yeah, I hadn't even thought that I did marketing before I started hr.

So of course I have these marketing skills and maybe I wanna go back to marketing, or maybe I wanna go into finance. Now marketing skills might be helpful too. So having this intelligence for the employee, but then also for the organization on the skills to say, what skills are in demand? What are the projects that ask for certain skills? What skills are more projects coming up with? For example, what are the declining skills? And then helping the workforce develop into these areas where you need more of those skills because nobody wants to be in a place, obviously, where your skills are outdated. And I think it, it even goes back to when we started out talking about the layoffs, because if companies have done a better job of understanding what skills they might need more of and less of, and build up more so and less so in the organization, or maybe build up in, in different ways that probably might not have had so many to be so many tech layoffs, right?

If you're more strategic about saying, well, these are the kind of skills that we could maybe staff up to give to a third party. Maybe they do an alternative workforce, maybe a consultant, a contractor could do these kinds of things because we might not see a future for that, or maybe it's not core to what we do rather than hire a lot of people and to all these areas, and then the business might not turn out that way, and then you're gonna lay off a lot of people

and also deploying and, and re redeveloping and re-skilling people into the different areas and changing the jobs around those skills. All of these were impossible without the skills tech. So it's, it's a really, really important and, I think transformational area that transforms not just the job but the business.

Josh Bersin (25:27):

Make another point, you guys. Yeah, please. There are a million questions in here about skills versus competencies and stuff, which I think we'll get to. Yeah, the other thing that I would, that we've learned about skills is skills are not sort of like a permanent badge. Like, oh, I have that skill now. I own it. Everybody's developing new skills all the time. So, we have to remove the fear that people have of developing new skills. I saw that question come up. And one of the things about talent mobility, forget about the word marketplace for a minute. When you take a new job, regardless of what job it is, you learn something. It doesn't, every new job you ever take, every new project you work on, I learned this at Deloitte every time I got involved in a new project, there was something different that I learned. So if you believe in the development of people, moving people around is very strategic for developing skills, not just selecting people based on skills.

Kathi Enderes (26:29):

Yeah, no, it's, it's true. I'm, I'm thinking through like every conversation I learn a lot too because of the questions that that people put in there. So yeah, every conversation you have, you build new skills and you build new expertise in certain areas because for example, a great question about manufacturing, because it's, it's different, right? When you have maybe very confined jobs that might be more linear or more like an expert model. I don't think that, I mean, skills are still important, but probably jobs won't blow up entirely in these kinds of very, like physicians, you probably don't want them, or like very detailed manufacturing skills. You probably wanna combine new skills into that new job. So I don't think that the concept of jobs will go away completely, because like some of them are very cert certification heavy, obviously, and they don't wanna say, oh, I don't really care if that physician has, they, they can just try a little bit of this <laugh> like, new skill on operating on me or something like that. I think that's yeah, it, it, it depends on the nature of the job of course, as well.

Brian Hershey (27:39):

Awesome. Well, thank you both for that insight. Yeah, I think it's, it's a really interesting topic with a lot of, a lot of confusion. I think there are so many companies out there that want to be doing this. They, they, they understand they need to be doing this. And there's a question of what technology in what order, kind of how and, and, and, and, and when is the right time to, to make something like this happen. You know, one of the questions I actually saw come in as well was c c is this something I can build with Workday? Or some, something to that effect. And I, I'm curious to get your guys' perspective obviously there's a global perspective. What are the types of technologies that you're actually seeing supporting these ships that we're talking about for companies that really wanna do this? And what are the key differences HR and business leaders should actually be looking for? You know, everyone is saying they're, they, they're skills based, something in the market today. W w what, what do you guys think about the kind of the tech landscape?

Josh Bersin (28:43):

Well okay, so why don't you assume that every technology you buy in HR is going to say that as a skills-based system inside of it? Okay. And ignore that <laugh>, because it's not all true. The technologies tend to fall into three or four categories in my experience. The first are learning and development tools that infer or identify or assess skills as part of the development process. Degreed was the company that pioneered this cornerstone EdCast, which is owned by them. Most of the learning systems, including many, by the way, are starting to use chat G p t to do this, which I could talk about separately if you guys want, are basically tagging skills. LinkedIn Learning does this, tagging skills, this course will help you with this skill, this course will help you with this skill and so forth. So they're generating taxonomies, they're matching taxonomies to content.

You already have a lot of that, okay? The problem is it's hard to use that data. They didn't design those skills engines for strategic planning, but they are useful. The second category is in recruiting all of the recruiting tools, whether you use Phenom, eightfold, iSims, Beamery have skills engines, because what they're doing is they're scanning in resumes. They're getting thousands and thousands of candidates, and they're going through them and they're trying to figure out who the engineers are, what kind of engineer they are, what kind of skills they have and so forth. So you've got that technology. The third technology is what Gloat

does, the tele mobility systems. And there's only a couple of vendors like Gloat, and I'm sure Gloat will tell you they're the number one in the market, which I won't get into that comment right now. But what they're doing is they're using the two sides of the skills model.

They're using the sourcing tagging side and the content side, and they're saying, this person inside the company seems to have these skills. This job or opportunity or gig seems to have these skills. Let's match these two things up. Oh, maybe this is a person who wants to be a mentor and this is a person who wants a coach. Let's match them up. And so it's the similar technology used for this third application. The fourth application is the E R P, Oracle SAP Workday. Now I think if you, if you listen to Workday and you read what they say, it sounds like they do all of this, turns out they really don't. They, they, they want to, but they're very early days. And so they're working on using a skills database to educate and infer and improve these other practices. Mostly, and by the way, there's one more issue in skills is that once you understand how this works, you realize that the skills engine is no good without data.

So I don't wanna have the engine just start looking at my company and making decisions. I wanna know what this person's skill is relative to the outside world of skills. So the skills technology has to be able to import data and look at taxonomies and new t, new technologies, new science, new things going on in the domain. So it's a, it's sort of complicated, unfortunately, where most companies are is you've got all, you've already got this learning stuff, you've got this recruiting stuff, and you have this mobility stuff, and then you have the E R p. I have yet to talk to a company that has been able to use Workday Skills Cloud or another e r p system to do all this. So the way that the market works sits today, and I'm sure the Workday people will be upset that I say this is the Workday or Oracle or SAP skills technology is in some sense a repository or consolidation point for some of the other skills data. But it doesn't, the application intelligence and all the use cases built into it that the recruiting tools, the tele mobility tools or the learning tools do. So it's, it's, I'm sorry for the long answer, but I wanted to sort of start with that because it's really confusing. And, and by the way, the pay systems are gonna have skills, right, Kathi? Yeah, absolutely. This is, this isn't over yet, you guys. And we can talk about chat G p T separately,

Kathi Enderes (33:04):

<Laugh>, yeah, yeah. When we're, we're studying pay and rewards right now and have a big study out there. And skill-based pay is of course one of the practices of high performing organizations, but also rarely adopted. So a very, very small percentage of companies are doing it well just because it's, it's complicated, right? So how do you align pay to, to skills and let alone having systems with that? Because compensation systems are there, and I said this <laugh>, like they're stuck in the eighties usually, and the 1980s because they're still spreadsheets on like just online spreadsheets for the most part. So nowhere close to the intelligence that we get in the talent marketplaces. So yeah, I think, I think the other thing I'd just say is that some, some, I know Gloat is doing this. Some companies, some talent marketplaces go even beyond the enterprise walls, right? So you, you told us that MasterCard is connecting with like connecting people from other companies into their, into their projects. So I think breaking the company walls, that's kind of the next generation too, because how can you bring like, fill a need from like, not just within your own system, but in the ecosystem of, of, of talent. And I know they'll have some questions around that too. Is it always inside the company? Not always. Right? It could be outside of the company as well.

Josh Bersin (34:27):

Let me make one more point on skills. We have kind of defined two types of skills. We've kind of defined operational skills and more strategic skills. If you're a truck driver or a nurse, or as Kathi said, a surgeon, or you're running an oil rig, you don't want these skills to be inferred by a piece of software. You want them to be tested <laugh> yes. Verified and updated. So most companies have some skills that are, that must be verified, must be tested, must be assessed, or there's a preceptor or somebody who watches you do this task. That's part of this too. Typically though, the operational skills systems tend to be different from these more intelligence skills engines.

Kathi Enderes (35:14):

Right.

Brian Hershey (35:16):

Thank you. Thank you both for that. Yeah. From the Gloat perspective I think one of the things we realized early on in this kind of skills revolution is that skills data lives everywhere. It's going to live everywhere. It's not gonna live in any one system. And so what's required really is a, a platform that is open by design in terms of the architecture, the ability to bring in skills, data from sources inside your company, but also unstructured sources like LinkedIn profiles and resumes and, and, and things of that nature. And then you really need an AI at the end of the day to kind of harmonize all this and make sense of it. You know, people use different languages to describe different things, and you need structure around that. You need, you need the ability, as you said, Josh, to kind of ladder up all of this data into kind of a, a capability or, or a clear understanding of what these things are gonna do in your business but also to make this scalable, that kind of open, open engine that we're trying to bring to our customers here at Gloat.

Okay. I have one more formal sort of question for you guys, and then we're gonna open up to, I think the amazing, really the chat is on fire. So, we have a lot to get through. But I know that you all have talked to a lot of talent marketplace customers of Gloat. Actually recently you launched this research collection for your, for your corporate members. Can you share a little bit more about the stories and the use cases that you gathered? I think you guys spoke in MetLife, MasterCard, H s, bbc, Schneider maybe others. But I, I'd love it if we can kind of add some color to this for it seems like a lot of people in the chat have had these conversations with their leadership. They're talking about tele marketplace, but you know, maybe need, need examples of, look, this is something that it isn't a dream leading companies are, are actually doing this and doing amazing.

Josh Bersin (37:10):

Kathi, why don't you, why don't you do that? Since you did a lot of these interviews?

Kathi Enderes (37:13):

Yeah, yeah, sure, I can, I can get started. And each of these companies actually had a different use case. And then they also, they accomplished that use case, but then they also found something that they never expected. So they got additional stuff that was surprising to them

that they didn't even set out to do. So it's Schneider Electric, for example, if we start with them, and they were one of the pioneers of the talent marketplace. They wanted to redo, reduce attrition. They had a lot of turnover, and every time they asked their people in the employee service, they said, I can't find a career. I can't find where I'm going. I'm, I'm leaving. So, that was kind of a very, very closely and narrowly defined problem. And they said, if we, how come that people in this big organization can't find a career, they can't find an opportunity to develop, they put in the talent marketplace.

And then they found out, of course, it solved that problem. People loved it, everybody went on it. People couldn't wait to get on the system, basically, as soon as they heard it's what was out there. But then also they found out that they had a lot of cross-functional collaboration, cross-regional because the global company said, we never realized how many people actually like had to, should connect in between like across geographies on Geo cross geography programs and projects. So, that was one of the key a-ha's that they said. And then they said, we also understood much better what actually if Schneider Electric only knew what Schneider Electric knows is what they said before. Now they said, now we know what Schneider Electric knows because now we know what the skills are across the company.

And that was a big a-ha and an added benefit that it didn't even look for. Mastercard, they set out for like in the pandemic, the CEO said, basically he said we need to change what we provide to our customers because they're looking for different, different things. And he had kind of a challenge to people to apply to these projects that he set out and the team leadership team set out to solve the different customer problems that evolved from the pandemic. And so many people signed up that they said, we can't do it manually anymore. And so then they put the talent marketplace in and, and they not only did they have all these project staffs, but they also found out that they saw, they saved like many millions of dollars, I don't remember how many, but lot millions of dollars and millions of like hundreds of thousands of hours of work that they would've spent basically on contractors or consultants or hiring people in-house while they, people still did their day job equally well.

So productivity didn't drop, but they had all these different projects that they had completed as well. HSBC wanted to start in the tech area. And then they quickly found out the tech area is not enough like with 10,000 people in their technology group. And very quickly they found out it was really a catalyst for the agile transformation that they wanted to go on.

And they said we can't do agile teamwork without the talent marketplace. So rather than just employing it to 10,000 people, they scaled it across all of their organization, all of their geographies, and also found out that they had a lot more innovation. So to the point before that I made, it's not just for retention, it's not just for attraction. It's not just for the employee, but it's also for the company to create new products and new services. So, those are just a few of the stories.

Brian Hershey (40:51):

I love that. Thank, thank you for sharing that color, Kathi. And it really speaks to, I think what we get so passionate about here in Gloat is we, we often embark on these transformations with, with our clients. And it starts and it's, it's about things we're, we're, we're familiar with in hr we wanna retain our employees, we wanna deliver a great experience you know, we wanna upskill and, and develop our employees for the future. And once the system actually is in place very quickly, suddenly CEOs are involved and we're tying the marketplace and what's happening on the marketplace to not just HR's most strategic objectives for the year, but the CEOs, right? So whether it's a bank trying to compete with fintech or creating a new wealth manager program.

We have a bank going through that right now, or a pharmaceutical company you know, looking to push innovation. All the projects and all the roles that are being filled faster and everything are all tying back to these very strategic CEO level sort of business objectives and helping that sort of execute faster. So yeah, we, we, we, we love to hear that. Okay. So we've had a really amazing discussion. Thank you, Josh and Kathi. We've covered a lot of ground and we have a ton of questions that have come in from the audience all over the world. I've been trying to comb through these and kind of triangulate and consolidate into the most common questions, probably one of the themes I'm seeing the most here. I'm gonna quote one of these questions. Can you provide some thoughts on how you convince senior leaders who see talent marketplaces as a nice-to-have and won't educate themselves on the criticality? There are a few other questions in that, in the vein, how do you elevate this in your organization for those for joining?

Josh Bersin (42:44):

Okay, let me take a stab at that one. I don't think your senior leaders need to even know what a talent marketplace is. This is a technology thing in hr. I think there are two things that I think CEOs would care about. Number one is productivity. So everybody's gaga about productivity right now. And it turns out, if you interview, in fact, Susan Ollar from MetLife, they told us this story that when they first turned on the talent marketplace, they asked people, how much extra time do you have to do project work on other assignments? The answer was zero, I don't have any extra time, don't bother. And then she said, okay, I'm gonna change my question. How many of you would like to do something new in your job that might help you develop your career for the future? And how much time would you put into that? Oh, I have eight hours a week for that. What she's basically discovered is that everybody is unproductive working on stuff they don't wanna do <laugh>.

Now, I, I'm not saying that's a pro, I mean, nobody designed it that way, but that's just the way work is. So if I could work on something that I wanted to do and maybe somebody else could take off some of the stuff I don't want to do, I would be more productive. So that's one sort of angle for the CEO plus not hiring as many contractors, which I think it was, it was Seagate who said they saved 20 million a year on reduced contractor spending or 15 million by doing this. The second is developing and engaging your employees. If you don't do this, they're gonna go develop their career somewhere else. So if your CEO's okay with that fine, he's a churn and burn kind of guy or gal, but this is a solution to that problem. And, one of the things that came out of all these stories that Kathi interviewed, many of these people, as did I, kept saying we didn't know what was gonna happen with this, but this turned into one of the most popular things we have in the HR domain.

So I think that will help you. Those are two to me, sort of business justifications for doing this.

Kathi Enderes (44:56):

Yeah. And I just added another one that hopefully will help. Do they need innovation and do they need different skills? Because I think everybody is worried about, like, what is the next product? What's the next service that we need to get into because the world is changing so quickly, right? So I think that's another one, and it will be an innovation opportunity for you. Like even if you don't set out to have an innovation opportunity, it will get you things that you

never even thought possible. Because people will work on stuff that you never had, in any of these narrow job descriptions. And you'll get new products and new services out of that, as we talked about as well.

Brian Hershey (45:36):

Great. Thank you all, all, all, I think very, very good points that we see organizations that have been successful in, in, in, in elevating this in the organization have made a lot of those points. Exactly. this is a related I, I, I think topic probably more about once you maybe do get some of that alignment the job's not over, right? I mean, we have to implement the technology. That's, that's one thing, but then we need to actually drive behavioral change, drive adoption, make sure this thing actually comes to life inside of your company in, in your view kind of h how important are company culture, industry dynamics all these different factors to ensuring the benefits of a modern system like Gloat to be adopted and to see those results. This is a question from Kevin.

Josh Bersin (46:31):

There are a bunch of quick, there's a bunch of comments in there about talent hoarding and stuff. Yeah, I mean, this is not a small change to implement. And if your company is very siloed and managers are very heavily paid based on the performance of their teams, and there is no cross-domain or cross-functional knowledge and communication between different parts of the company, this type of a system is gonna break some of that down in a good way, but it's gonna be a little more complicated. I think a lot of the pioneers who embraced these tools already knew they needed to do it. They already had a sense that we were too siloed, we weren't leveraging capabilities across the company. We needed better career planning. So you need to feel that the company is moving in that direction already and that there's demand for it. Cuz those are the kinds of things you run into. The other thing I would say is, of all the customers I've talked to that have used the talent marketplace, including Gloat and other technologies, I haven't talked to a single one that said it failed. Not a single one ha; what about you, Kathi?

Kathi Enderes (47:41):

No, none. None.

Josh Bersin (47:43):

There are plenty of people that have failed at just about every other piece of HR tech. So this stuff is, is unlocking a pent-up demand that is probably there in your company right now?

Kathi Enderes (47:53):

Yeah, I totally agree. I haven't heard of any of them that said it has failed. And some of them said it was challenging sometimes because we tried to push it where it wasn't going yet. And by that, they meant where the business wasn't asking for it. And I think one of the key learnings that I heard from everybody I talked with is to make the business ask for it. So start it in an area where the business is ready, where the business leaders say, yes, we want this because we need a new product. We have a retention issue. Whatever the issue is that they're trying to solve, help it solve a problem and then make it spread the word by the managers. So the managers can then tell the stories. So don't try to make this an HR tool.

It has to be a business tool that the business drives for. So, every single one that said we had issues with the implementation because we tried to say, you gotta fill out your profile. I'm like, people, I have to fill out my profile, right? But if the business says, we need you to apply to these projects because they're business-critical for us, and it's also gonna get you a better career, then people will do it. But if HR says to put your profile in, nobody's gonna care. So make it business driven. Eventually, the managers will come around because they'll see it's e better for their work too. And well, they are like for their team and for their project as well.

Brian Hershey (49:14):

Awesome. Thank you both for that. I'm looking through here. I think we might actually have some time, Josh to expand on your comments about chat, G P t I think folks are <laugh> are, are a little bit

Josh Bersin (49:29):

So before I talk about ChatGPT for one minute, the talent market, you know what a marketplace is. You know what Airbnb did to Marriott. Airbnb has about the same market cap as Marriott. Airbnb has no real estate and no hotels, they're just a software company. A marketplace changes the dynamics, it creates a buyer-seller relationship. Talent management didn't do

that. Talent management was a bunch of HR people designing things on behalf of employees, doing the best they could to figure out what the company was doing and trying to do and how it was gonna evolve. So that dynamic changes a company. That's why I think the talent marketplace is sort of eating the talent management market from the inside out. You know, if you decide as a company to try to do this, ChatGPT is sort of similar.

Many, many of you know, text-related activities we do at work, training, education technical support, user support, and coaching. I mean, think about a leadership coach, think about a mentor. I mean, we're having conversations, right? And basically, training is really a conversation too. You and an uneducated person are trying to have a conversation with you about something to help you learn it. So in a sense, chat, G B T is landing in the middle of HR and it could potentially change all of those things. The experience that I've seen in the last two weeks from some of the vendors I've talked to, they have hooked this thing up to compliance documentation or training materials, and it has already figured out how to test people, how to assess people, how to write an abstract, how to create an outline of a course without somebody from instructional design having to sit down for a week and work on it. So relative to the conversation we're having with the talent marketplace Brian, I'm sure you've got engineers in Israel probably playing around with it right now. I wouldn't be surprised. Oh, absolutely. <Laugh>, <laugh>. You know, you could probably go into the talent marketplace and ask how many people have these skills. Who are the people that are trending in this? I mean, those kinds of things are gonna be algorithmically created. So there are just enormous numbers of opportunities here for this.

Brian Hershey (52:11):

Yeah, no, absolutely. And yeah, I, our, our, our company has, has really always focused on translating the world of natural language basically into, into data that becomes usable. That's, and really in essence, that is, that is what Gloat is, that's what really sits at the heart of our company. And so yeah, we're, we have a close eye on, on the advancements that are happening and, and some cool stuff. Yeah, you'll, you'll be hearing from us soon about this has been great. I think we have a few minutes on the clock, so we'll wrap things up here. Josh and Kathi, maybe just a few parting words of wisdom for the HR leaders that have joined us today. If they're gonna prioritize one thing in 2023, what do you think it should be?

Josh Bersin (52:59):

One thing, I think I know the answer. I'll, I'll give you a quick, quick comment then I wanna hear what Kathi's thinking. I, I think this is the talent marketplace is the noun, but the problem is talent mobility and growth. And so if you think about the need for growth agility and mobility inside of your company, that's what this is. It's a system that solves those problems. It does it in a new way with a marketplace model. It does it using ai, it does it using a lot of data. And it's relatively easy and compelling for employees to use. So I think this particular domain is one of the most transformational things going on in HR. It may not be number one, but it is up there. And you know, I want to thank Gloat for pushing this agenda because it's adding a lot of value to a lot of companies. And I think most of the companies in the world will eventually implement this kind of technology.

Kathi Enderes (54:06):

Gosh, yeah. Couldn't, couldn't agree more. I think the number one thing related to talent marketplaces that I'd add is don't be afraid to get perfect with your skills. I think a lot of companies think, oh, I gotta have all my skills to like tech taxonomy and everything built out before I can even get started. But the talent marketplace will do it for you, right? It's gonna give you these insights and people in the meantime. Also, it's gonna add a ton of people to your people. Value to your people, to your managers. Diversity and inclusion is another one that we haven't even touched on. It's gonna uncover opportunities for people that are usually a lot of times hidden away. So it's gonna have a lot of additional benefits that you might not even think you want about beyond retaining people mobility. So I think it's just getting started on it and not being afraid of getting perfect. Progress over perfectionism is what Jean from Schneider said to me when I talked with her. So that's the one thing.

Brian Hershey (55:07):

Awesome. Great, great advice. Thank you, Josh. Thank you, Kathi, seriously so much for joining us for this conversation. I think everyone got a lot of value from it. It was, it was a lot of fun. So I hope everyone has a great week ahead. Happy Valentine's Day. Sending lots of love from Gloat. Thanks, everybody.

Kathi Enderes (55:27):

Thank you, Brian. Thank you, everybody. It was fun. Thank you, Josh. Bye.

