A Net Zero Approach To Building A Sustainable Workforce

The Path To Self-Sustaining Talent Ecosystems

Introduction

The world and the workplace are evolving quickly. The fabric of many companies has been altered by a convergence of new demands, from the disruption of COVID-19, the changes needed to avert serious climate issues, and the balance of building workforces with diversity, equity, inclusion and belonging. To meet these challenges, businesses must work to create a vital, sustainable ecosystem for talent that applies a Net Zero approach to their workforce.

As the leader in innovative workforce solutions, ManpowerGroup Talent Solutions has developed a maturity framework to help clients measure, improve and track their talent practices, recognizing that organizations find themselves at different stages on the journey to talent sustainability. The Talent Sustainability Quotient (TSQ) gives businesses the insights they need to effectively benchmark their talent practices in a sustainable way. This paper illustrates why organizations need to move towards a Net Zero talent approach and describes how the TSQ can be used to help companies deliver this across their workforce.

> *Becoming a truly sustainable and responsible business is a priority for three-quarters of executives, according to Accenture.*
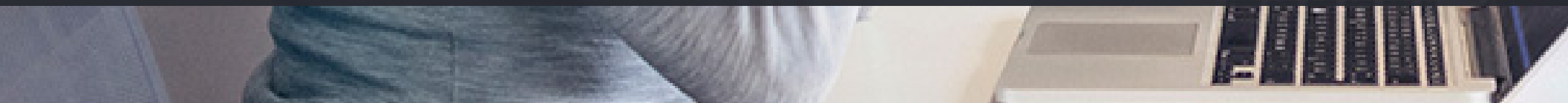
A Net Zero Approach To Talent

In the lead-up to COP26, the U.N. Climate Change Conference held in Glasgow in 2021, ManpowerGroup's CEO Jonas Prising joined more than 90 other CEOs of large multinational organizations to sign an open letter to the world's leaders. The letter committed leaders to accelerating the race to Net Zero emissions, and to doing more together to create a better world for people today and for generations to come.

PLANET

PEOPLE & PROSPERITY

PRINCIPLES OF GOVERNANCE

This pledge is just one example of how businesses across the world are increasingly focusing on environmental, social and governance (ESG) issues. ManpowerGroup will play a leading role in ensuring workforces have the skills and talent needed for energy transition and a carbon-neutral world. **However, it is the S in ESG, Social, that is a critical focus of Talent Solutions.** The employee experience and how people feel about their company, from their first touch to their last day, is key to driving talent sustainability. And data shows businesses aren't doing enough to improve the experience of employees; for example, in the U.S., only 68% of workers are happy in their jobs. ManpowerGroup's own 'What Workers Want' research shows that workers want to be proud of where they work, and eight in ten employees (81%) now expect training programs from employers to help keep skills up to date.

An organization's people are its most valued resource. It is talent that sets them apart from the competition and drives innovation and performance. Leaders must strive for a Net Zero approach to talent, where the aim for talent is for there to be zero waste throughout the talent pipeline through effective career mobility and to build sustainable talent ecosystems. Yet many businesses are not using their most critical resource effectively. Organizations are constantly competing to recruit and retain top talent — a challenge being made more acute by the skills shortages affecting most sectors. New approaches are needed.

The key to a sustainable approach to talent requires organizations to look holistically across their talent practices and to reimagine how they attract, hire, reskill and redeploy talent in order to optimize the skills of their people. As organizations think about talent in more sustainable ways — and build cultures and communities based on diversity, equity, inclusion and belonging — they can create self-sustaining talent ecosystems.

Many companies already recognize the need to state their goals for Net Zero carbon emissions. In doing so, they're not claiming that they won't emit carbon, but they pledge to ensure that the carbon they emit will be balanced with measures to create a Net Zero equation. It's the same with talent. As organizations evolve, there will be skill shifts, restructuring and other changes in the business that affect its employees. But, if the right talent sustainability practices are in place, companies can have a renewable supply of the right talent at the right time to offset the other side of the equation, creating a Net Zero approach to talent.

A recent report by ManpowerGroup highlights how a mix of long-term trends and more immediate economic and social shocks have radically altered the outlook for the labor landscape.

From climate change to digitization, organizations must adapt to constantly evolving demands, and leaders have been forced to reassess how they manage their workforces as a result.

The skills people need have shifted rapidly. Workers need new, often digital, skills and they need to gain proficiency faster than ever. Digitization and automation mean people's roles are changing, and workers have had to learn to do their jobs in new ways. This transformation was accelerated by the pandemic.

Practically overnight, there was a shift to remote work. For many workers, the changes brought about by the coronavirus have also led them to reassess their own career priorities. At the same time, a post-COVID skills shortage has increased the negotiating power of jobseekers as businesses compete to find talent.

The evolution of social and cultural attitudes is transforming the way people feel about where they work. People want to work at organizations that reflect their values. And progressive movements, most notably Black Lives Matter, have brought issues like diversity, equity and inclusion to the forefront of leaders' minds. Fostering a culture of belonging is now a vital role for HR teams.

Both workers and companies recognize the need for something new and different. Understanding their talent resources and using them effectively is crucial for organizations applying a Net Zero approach to talent.
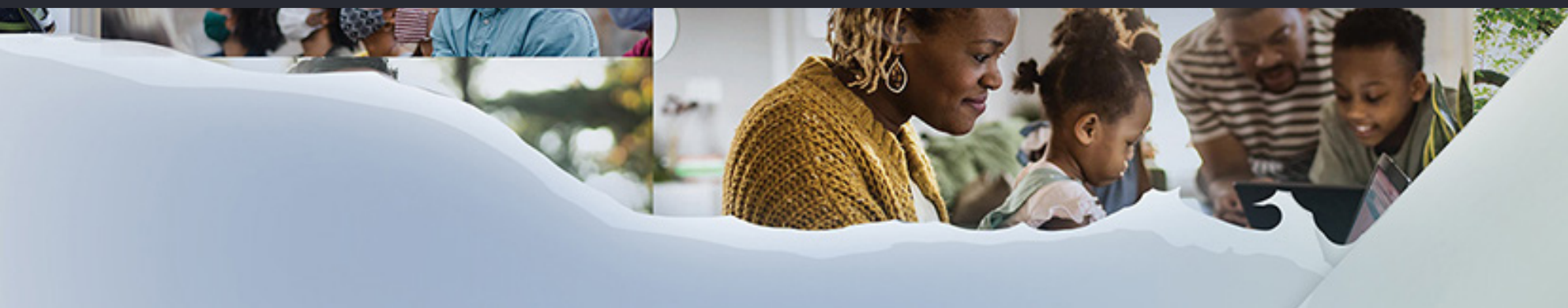
> "Whether it's your return-to-work strategy, diversity or recruitment, organizations must recognize that all these issues are interlinked. You've got to keep a pulse on the whole picture and look at your talent from a holistic, sustainable point of view. Businesses can't afford to ignore any area."
>
> **Allison Kerska**
> *Vice President, Global Client Consulting, ManpowerGroup Talent Solutions*

Leveraging A Talent Sustainability Framework

The Talent Sustainability Framework was designed to help businesses respond to the challenges facing their workforces and offers a flexible approach that takes into account the maturity of an organization's talent practices. The framework equips HR leaders with the insights and solutions they need so that they can develop a strategic plan for the sustainable management of their talent.

The Talent Sustainability Quotient (TSQ) provides organizations a way to benchmark their maturity for key talent practices in order to prioritize investment and effort in areas that will yield the highest value. As organizations navigate the new labor landscape, they often face the question of what talent priorities to focus on first. Unfortunately, this single-focused approach creates a perpetual reactive state — never allowing an organization to achieve a comprehensive and sustainable strategy. The TSQ enables a holistic approach, so that HR Leaders can implement solutions that not only address the challenge on the surface, but also get to the core of the problem and identify the interventions needed to create a sustainable talent ecosystem.

The Three Domains of Talent Sustainability

To make the workforce sustainable, a company needs a complete picture of its talent and talent needs. To achieve this, the Talent Sustainability Framework tracks three domains, each with six dimensions that are critical enablers of building a sustainable, talent-centric organization. **The domains are:**

DOMAIN 1

ACQUIRING & HIRING TALENT TO ACCELERATE TIME TO PRODUCTIVITY

With 69% of employers globally unable to access the talent they need, organizations need to ensure their brand and sourcing practices provide frictionless candidate experiences that enable them to stand out and engage employees from the first touch to their last day.

DOMAIN 2

ENGAGING & EVOLVING TALENT TO CREATE A HIGHER-SKILLED WORKFORCE AT AN OPTIMUM COST

The World Economic Forum estimates that one billion people will need to be upskilled by 2025. Organizations need to ensure that the investments they make in upskilling are focused on the right people who are engaged and want to stay. If they do, businesses can encourage good people to stay longer. Through active career development, organizations can help employees to be more effective and achieve more throughout their time with the company. Three in four workers (74%) who plan to stay for longer than two years have undergone career coaching.

DOMAIN 3

IMPROVE CULTURE, RETENTION & BELONGING BY TRANSFORMING LEADERS

Leaders set the culture for an organization. ManpowerGroup's own 'What Workers Want' research shows that people want to be proud of who they work for. Nearly nine out of ten (86%) of millennials would consider taking a pay cut to work at a company whose mission and values align with their own.

When used in combination with the TSQ organizations can better understand the maturity of their talent practices. Each domain has been carefully mapped using a five-factor Likert scale so that organizations can benchmark against tangible measures or KPIs to improve performance and reach their sustainability goals.

DOMAIN ONE: Acquiring and Hiring Talent

A Future With Purpose

Seven in ten employers globally report that they can't access the talent that they need. To help remedy this, companies using the Talent Sustainability Framework can work to improve efficiency and productivity in how they acquire new talent. This means using data-driven hiring decisions to find the right talent quickly and efficiently, building a culture that attracts workers, and getting them up to speed rapidly through effective onboarding.

Using the Talent Sustainability Framework, employers can create an approach where staff feel connected to the business from their very first contact with the company. Creating a strong Employer Value Proposition is crucial so that potential and current workers recognize their value and the value they get from the organization. Companies that have strong EVP and a healthy brand are more successful at attracting top-quality candidates, reducing time to hire, and retaining talent. From first contact, through the onboarding process, all the way to when they leave the company, HR teams can ensure individuals feel they belong and are fully committed to the organization. Part of this can be through putting in place the right policies, such as flexible and remote working where appropriate, to attract candidates and meet the needs of workers. But leaders should also be looking to build a culture where workers feel they are genuinely valued.

Businesses working to create a sustainable talent ecosystem aim not only to build affinity with their current talent, but also to keep their alumni engaged and identify potential candidates who could be a good fit in the future. By cultivating pools of talent outside the organization as well as within it, businesses know that there are workers available to them who have been identified and nurtured. When the time comes that the organization needs more people, it can take its pick from a talent pool of candidates who already have some familiarity with the organization, are aligned with its values, and can be onboarded quickly and efficiently.

> "In essence, we need to be much more critical of wasted talent across the board, so that organizations can become efficient and sustainable. Recruitment is key to this, and businesses should be working to minimize the time it takes to get the right workers in their roles. At the other end too, it is vital for employers to take responsibility for workers whose skills they no longer need. Instead of just laying off, are organizations taking responsibility for their leavers being able to take their skills elsewhere? Are you keeping your people employable in the long-term, even if not at your organization?"
>
> **Marceline Beijer**
> *Vice President, ManpowerGroup Talent Solutions Europe*

DOMAIN 1

DOMAIN ONE: Acquiring and Hiring Talent

The acquisition of talent into an organization and turning a new worker into a productive one requires meeting best practices across six elements, as set out in the graph below:

Time to Hire:
Time to hire provides a strong indication of employer brand strength and hiring practice efficiency

Hiring Practices (Assessment & Automation):
Leveraging data and automation in the hiring process provides critical insights to candidates' skills and competencies, driving faster, better informed hiring decisions

Onboarding:
Employees that receive structured onboarding that demonstrate a better understanding of a company's culture, vision and goals, have better longevity and higher satisfaction

DOMAIN 1
Acquiring & Hiring Talent

Use of Talent Pools/Work Dynamism:
Developing and maintaining a vibrant source of prequalified talent reduces time to hire and increases candidate engagement

Strong Employee Value Proposition (EVP):
To attract candidates and reduce the time and cost of acquisition, employers must have a strong brand and holistic value proposition

Remote & Hybrid Work Flexibility:
Access the best talent regardless of their market and retain workers by communicating a clear policy for remote and hybrid work

DOMAIN 2

DOMAIN TWO: Engaging and Evolving Talent

Upskill / Upcycle / Uplift

Creating a sustainable talent ecosystem isn't just about attracting the best talent quickly, it also means engaging and evolving the talent you have. As organizations strive to reduce talent waste, they can work to ensure they're putting the right people in the right roles, matching the skills of their workers to the future needs of the company, and upgrading the skills of existing workers to meet these needs where possible.

Sustainable teams maximize the impact of every worker. The Talent Sustainability Framework offers businesses a clear path to engaging and evolving skills throughout the employee lifecycle, creating mobility and building new career paths that work for the company and individuals. This creates efficiency as part of an organization's sustainable approach, where reskilling and upskilling reduces under-utilized talent.

To work sustainably and efficiently, organizations will need to engage and evolve their people to create higher-skilled talent at an optimal cost. Often the talent that's needed already exists within the organization and research from the UK suggests that, for every worker they upskill, organizations could save

£50k compared to hiring new talent. This existing resource needs to be reimagined, redeployed or reskilled. ManpowerGroup's own research indicates that 84% of HR leaders say they plan to implement reskilling and upskilling programs, with many of these focused on future-proofing their workforces.

By using assessment and career mapping, HR leaders can get a detailed understanding of the skills makeup of the company to assess where there are skills gaps and where there is untapped potential. Leveraging an insight-driven approach to development allows leaders to shine a light on where the organization's existing talent can be coached to evolve the skills needed to meet business demand. This requires organizations to build a robust skills taxonomy and to understand the capabilities within their teams, as well as assessing and benchmarking talent. This focus means companies can be sure they are upskilling the right people and that their investment will make a difference, creating highly-skilled employees who are engaged and want to stay. The second domain identifies six elements that can help businesses achieve this and establish best practices for engaging, evolving and mobilizing existing talent.

> *"Start at the most senior levels. Speak to those who have long tenure in the company and ask them why did they stay? Why have you been here this long? We know they stayed because someone was actively encouraging and managing their career there. You can't do that for everyone, but you can create an environment where people can see others who are just like them and who are progressing. And that makes them think: If that's the case, then it can be done and it's my turn next."*
>
> **Dr. Syneathia LaGrant,** *Vice President, Global Learning Global People & Culture, ManpowerGroup*

DOMAIN 2

DOMAIN TWO: Engaging and Evolving Talent

From creating a coaching culture within the company, to promoting career mobility so that individuals are empowered to raise their prosperity and meet their potential, the Talent Sustainability Framework guides organizations as they engage and evolve their talent. It provides a pathway so that businesses can maximize talent to create a high-skilled, engaged workforce in a cost-effective way.

Coaching/Mentoring:
A strong coaching culture helps create organizational alignment, increases engagement and supports the development of strong leaders

Assessment for Development:
Leveraging an insight-driven approach to development creates visibility to the potential and motivation of your talent to learn

Experiential Learning:
Individuals need exposure to new groups/roles in order to direct their career paths. Organizations that can provide new experiences will increase retention, build leaders and increase satisfaction

DOMAIN 2
Engaging & Evolving Talent

Career Conversations:
Organizations that have a framework to track employee engagement and encourage frequent discussions with their talent about performance and career growth demonstrate higher levels of engagement, alignment and retention

Career Mobility/ Career Pathing:
Investing in employee careers engages and retains individuals to raise their prosperity while enabling them to meet their potential

Training & Upskilling:
84% of organizations are planning to upskill employees by 2020 – a significant increase from 21% in 2011. To retain top talent, organizations must have a plan for up/reskilling

DOMAIN 3

DOMAIN THREE: Improve Culture, Retention and Belonging

Leading The Way To Talent Sustainability

It isn't easy to maintain momentum throughout a career and to keep workers as excited as they were in their first months. But it can become impossible if HR teams lose sight of what matters to their workforce. Building a strong Employer Value Proposition and giving work real purpose are key to attracting and retaining talent. Forward-thinking businesses aim to create a sustainable talent ecosystem in which every individual is connected and engaged, part of an organization with purpose. It's an approach that generates reward: purpose-driven companies have 40% higher levels of workforce retention than their competitors.

On Wall Street, for example, despite banks offering bumper salaries to fend off competitors, workers are still leaving. Although big paydays are a major draw, people are looking for something more sustainable for themselves too – they want to feel their work has purpose. As a financial recruiter told the New York Times: "Prospective employees are thinking more deeply about their careers, knowing they're going to be putting in long hours. They're wondering, 'How can I make that as meaningful as possible and feel good about it?'"

An organization with a sustainable talent ecosystem fosters a sense of belonging, where employees see their values reflected in the company culture. This is a key element in creating more diverse and inclusive workforces. While removing bias in recruitment and ensuring diversity in hiring is crucial, it only addresses one part of an employee's lifecycle. If new recruits don't feel connected to the company, if they don't feel they fit in or belong, they will likely leave. Building teams that are diverse, inclusive and sustainable in the long-term means managing teams throughout their time with the organization.

DOMAIN 3

DOMAIN THREE: Improve Culture, Retention and Belonging

Company cultures are built from the top. It is leaders who set the direction and are responsible for creating an organization where people feel they belong and believe in the purpose of what they're doing. It needs to be established through leader alignment and development, as well as embedding diversity and inclusion throughout the organization's practices, from hiring to day-to-day operations. Companies that define their priorities through a refreshed competency framework can set the right goals to assess, develop and coach their leaders so that they can lead with impact. Diversity and inclusion has the potential to deliver significant value throughout a business. Better decisions and problem solving often come from groups that are made up of diverse voices.

The third domain of the Talent Sustainability Framework, therefore, focuses on improving an organization's culture, retention and belonging by transforming its leaders. Six dimensions are key to this. These range from demonstrating the community impact of an organization, so that individuals know they work somewhere that has purpose, to having a clear succession in place so that there's a pipeline of talent helping businesses achieve goals today and in the future. Underscoring all of this, leaders must be aligned to the ambitions of the organization so that they can lead with impact.

"HR can define the culture, but it is leaders who embed this culture. Leaders might manage teams differently, but clear goals and incentives will drive the right cultural behaviors across the business. It is right that leaders should be held accountable for the culture they create. It is the culture of the business and their leaders that will deliver this ambition of change for the future."
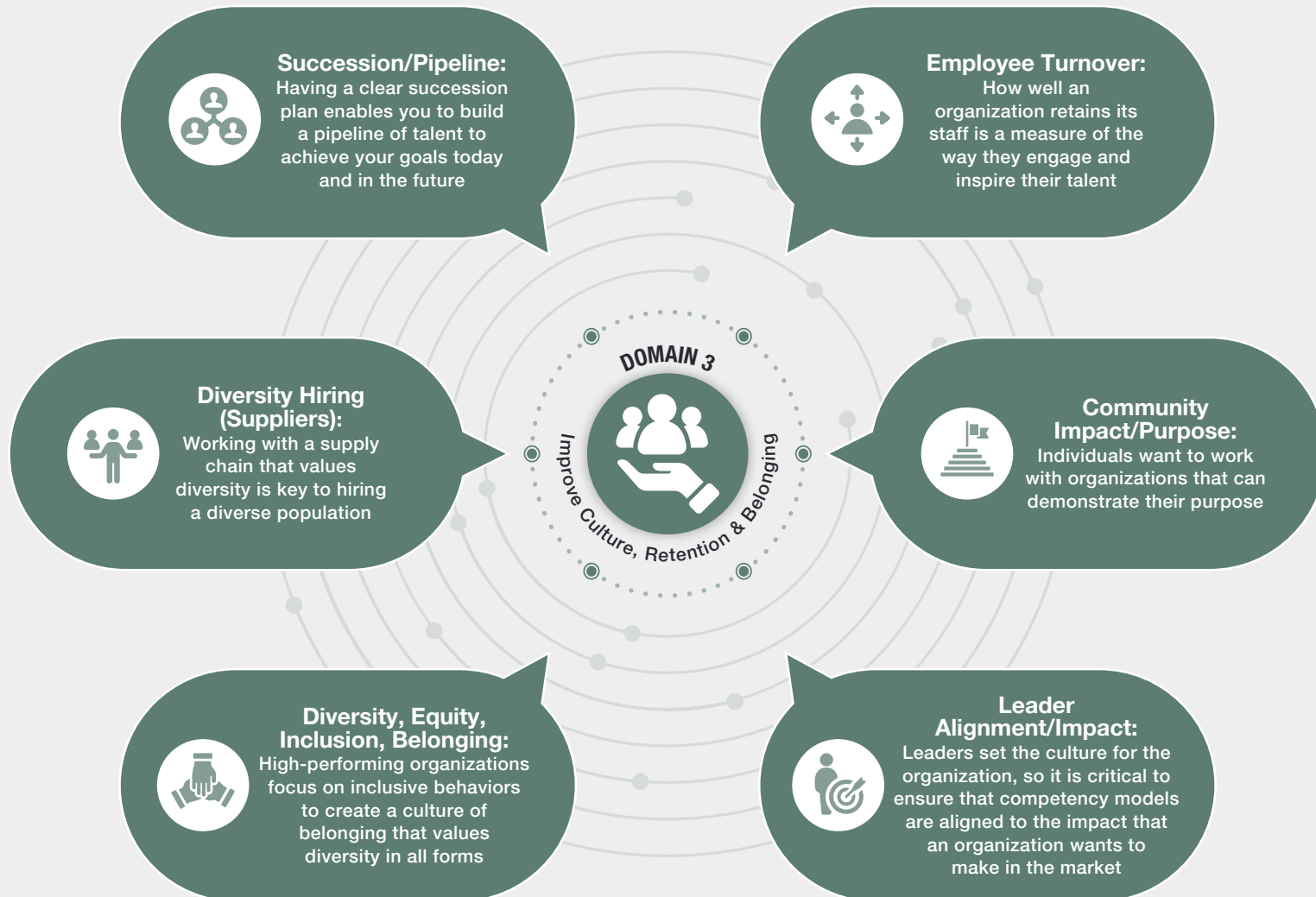
David Ainsworth
ManpowerGroup Talent Solutions TAPFIN,
MSP Brand Leader for EMEA

DOMAIN 3

DOMAIN THREE: Improve Culture, Retention and Belonging

What gets measured is what matters. It is therefore vital that progress is monitored through understanding measurements like employee turnover and building an awareness of the talent pipeline, so that talent and succession planning are part of the vision for the future.

Succession/Pipeline:
Having a clear succession plan enables you to build a pipeline of talent to achieve your goals today and in the future

Employee Turnover:
How well an organization retains its staff is a measure of the way they engage and inspire their talent

Diversity Hiring (Suppliers):
Working with a supply chain that values diversity is key to hiring a diverse population

DOMAIN 3
Improve Culture, Retention & Belonging

Community Impact/Purpose:
Individuals want to work with organizations that can demonstrate their purpose

Diversity, Equity, Inclusion, Belonging:
High-performing organizations focus on inclusive behaviors to create a culture of belonging that values diversity in all forms

Leader Alignment/Impact:
Leaders set the culture for the organization, so it is critical to ensure that competency models are aligned to the impact that an organization wants to make in the market

A Roadmap To Sustainable Talent

Each domain within the Talent Sustainability Framework has been carefully mapped to best practice benchmarks in the TSQ Maturity Model. Organizations can complete the online Talent Sustainability Quotient to self-rate their maturity against these benchmarks. This model helps businesses track where they are in their journey to building talent sustainability across five levels of maturity.
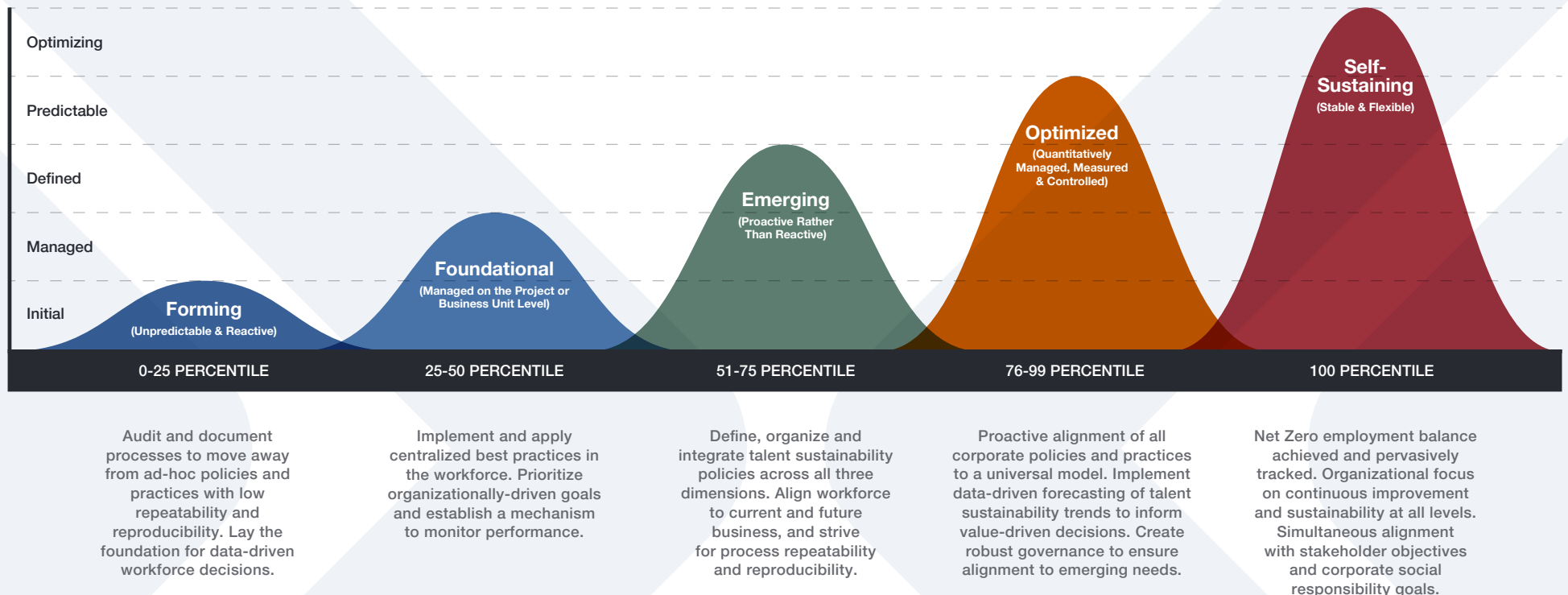
At each level, the model helps companies define and prioritize the measures they need to improve their performance and move to the next stage. It embeds good practice, reducing the likelihood that organizations will fall back to a lower stage once improvements are established.

The maturity model allows organizations to see how mature their talent acquisition, engagement and culture practices are, so that they can prioritize their efforts to reach their sustainability goals. It is flexible and can be aligned to an organization's corporate strategy, allowing for the adoption of policies and practices in line with each organization's culture. By identifying and benchmarking the maturity of current practices, organizations can target interventions in the areas which require improvement and create a roadmap to sustainability. Through effective use of the TSQ, organizations can pinpoint where to prioritize changes and, with Talent Solutions' expertise, will implement a talent strategy to spark real change.

The Talent Sustainability Quotient Maturity Model

Optimizing				**Self-Sustaining** (Stable & Flexible)
Predictable			**Optimized** (Quantitatively Managed, Measured & Controlled)	
Defined		**Emerging** (Proactive Rather Than Reactive)		
Managed	**Foundational** (Managed on the Project or Business Unit Level)			
Initial	**Forming** (Unpredictable & Reactive)			
	0-25 PERCENTILE	25-50 PERCENTILE	51-75 PERCENTILE	76-99 PERCENTILE

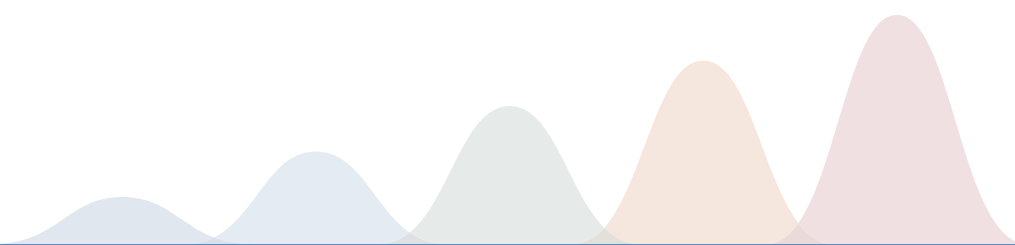| 0-25 PERCENTILE	25-50 PERCENTILE	51-75 PERCENTILE	76-99 PERCENTILE	100 PERCENTILE
Audit and document processes to move away from ad-hoc policies and practices with low repeatability and reproducibility. Lay the foundation for data-driven workforce decisions.	Implement and apply centralized best practices in the workforce. Prioritize organizationally-driven goals and establish a mechanism to monitor performance.	Define, organize and integrate talent sustainability policies across all three dimensions. Align workforce to current and future business, and strive for process repeatability and reproducibility.	Proactive alignment of all corporate policies and practices to a universal model. Implement data-driven forecasting of talent sustainability trends to inform value-driven decisions. Create robust governance to ensure alignment to emerging needs.	Net Zero employment balance achieved and pervasively tracked. Organizational focus on continuous improvement and sustainability at all levels. Simultaneous alignment with stakeholder objectives and corporate social responsibility goals.

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"We have to go from a 'know it all' culture to a 'learn it all' culture. When HR teams have and make decisions with data, it allows them to operate with a coaching mindset rather than a directive mindset. For coaches working with individuals, it's important to get to a point where we are all in this together because this is so new for everyone. You have to have someone walk beside you to get this done because we need to do this together."

Elke De Loecker, *Head of Business Development EMEA, ManpowerGroup Talent Solutions*

How The Talent Sustainability Quotient Was Developed

The TSQ has been developed by Talent Solutions' experts based on their years of experience with robust business intelligence from working with global organizations and direct work with clients. This know-how has been combined with a broad evidence base taken from relevant HR practice and scientific literature.

ManpowerGroup has been working with Deeper Signals, experts in leveraging data to better understand an organization's performance, to refine the TSQ. Using science and technology, Deeper Signals unlocks accurate, personal insights that help individuals grow, build teams, and scale organizations, changing how people work together. Deeper Signals and ManpowerGroup's experts have trialed and adapted the TSQ so that it can most effectively meet the needs of business leaders.

1 Adaptable: The TSQ has been designed so that it is malleable and can meet the differing needs of organizations, according to their business goals and organizational strategy.

2 Priorities: All organizations have different pressures, challenges and opportunities that leaders must meet and the TSQ helps them prioritize the action needed, putting in place a roadmap to reaching talent sustainability.

3 Culture and Values: An organization's culture is embedded by its leaders and the TSQ can be mapped to the specific culture and values of individual organizations to make it impactful in their settings.

The ManpowerGroup Journey To Net Zero

At ManpowerGroup, we are committed to improving our own business practices to accelerate our journey to Net Zero, and we know we also have a responsibility to help our clients become more sustainable too. As experts in talent, clients are asking us to help them create sustainable talent ecosystems where environmental, social and governance issues are aligned, and a sustainable approach is applied to our most valued resource: people.

However, it is our work with clients and partners where ManpowerGroup aims to maximize its impact. Here, we are applying our experience at scale, to work with our clients to harness the power of their talent sustainably through the Talent Sustainability Framework and the TSQ.

To find out how sustainable your organization's talent practices are and to understand how much your people could achieve with a Net Zero approach, visit **www.talentsustainabilityquotient.com**

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For more on our work to make ManpowerGroup a responsible and sustainable business, visit: https://www.manpowergroup.com/sustainability