The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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| Jacob Morgan: | Welcome everyone to another episode of The Future of Work podcast. My guess today is Susan Steele. She's a former chief HR officer at Millward Brown, the former chief HR officer at Deloitte Consulting and these days she's an executive partner of global talent and engagement in a small company that I'm sure most of you have heard of, IBM.<br><br>Susan, thank you so much for joining me. |
| Susan Steele: | Great to be here, Jacob. |
| Jacob Morgan: | To get started, let's talk a little bit about you. Maybe you can give people some background about how you got involved with the all the stuff that you're doing, where'd you go to school, what's a day in the life of Susan? |
| Susan Steele: | My gosh, okay. I have a really fascinating role because I get to work with incredible new technology and how it impacts the role of HR and how it impacts the workplace experience more broadly. Every day is different. I'd be hard pressed to come up with a typical day but I think some common themes are that I'm often talking to colleagues as well as clients about things that have never been done before. We're looking out onto new horizons and it's a very exciting place to be. In fact, I think it is probably one of the more exciting times to be in the HR and talent functions.<br><br>For those of your listeners who are in this space, great choice because it's really fun at the moment and lots of things happening in this area.<br><br>By way of background, I went to Carnegie Mellon, it explains perhaps my interest in technology and the inner geek that I am but I did not major in technology in those days but actually, I'm a liberal arts graduate and business graduate. I have that focus so I think I've always come to technology more as a user and with a business perspective than a coding or hardwiring perspective.<br><br>My career has been one of two parts. The first part of my career was spent in financial markets and very much at the co-phase in terms of the foreign exchange market and other capital markets, structuring, alternative investments, hedge funds and so on. Then after going through quite a few bank |

mergers and was really ready for a bit of a break, took a bit of a pivot and ended up through executive search actually moving more into the talents space and then eventually, from talent acquisition to a broader talent development focus and then ultimately, a broader HR focus. It's been a career of two parts. The first part focused on financial markets and the second part focused on HR and talent.

Jacob Morgan:     Sounds like a pretty cool background.

Susan Steele:     It is, yeah, it's been fun.

Jacob Morgan:     Yeah, it sounds like it. These days, what's your morning route? Are you up at five in the morning and going into an office?

Susan Steele:     Yeah, I'm an early … Yeah, well, not always into the office, into wherever I'm working that day which could be at home in my study or often in a hotel room somewhere or on the road. My typical day does start early. I'm very much a morning person. I have a lot of colleagues that I'm connecting with and clients as well around the globe. Thankfully, I'm up early and very productive first thing in the morning especially after a good cup of coffee.

Jacob Morgan:     Yeah. I got to get the strong double shot or something.

Susan Steele:     Exactly.

Jacob Morgan:     Are you up at like 5:00 in the morning? What time do you get up?

Susan Steele:     Yeah, I usually get up at about 5:15, do a bit of a workout and then get cracking. I find that that's my really most productive time of the day. If I have any major thinking to do, I'd like to do it early rather than later on in the day.

Jacob Morgan:     I guess then you have to go to bed pretty early as well?

Susan Steele:     I try to, probably. My Fitbit is not happy with me all the time in terms of sleep.

Jacob Morgan:     A Fitbit user? Yeah, I use Fitbit as well. I'm pretty addicted to all of those little wearable trackers.

Susan Steele:     Metrics, there you go.

Jacob Morgan:     May be you can help people understand a little bit of your role at IBM. Do you advise the CHRO of IBM? How does that relationship work?

Susan Steele:     No, our CHRO is incredibly talented and very experienced and in many ways a real game-changer. It's actually more the opposite in as much as what I'm doing is looking around the IBM HR organization for things that we are already doing here that I think might resonate with clients. Now, not every client of IBM's is identical in focus or in strategy to what we're doing. Clearly, we're not just

copying and pasting but rather taking some of the innovations that we've already been using here and a number of these things are now out with the clients as well.

They started often as proof of concepts that we developed and piloted internally at IBM in our own HR function across our own employee base of around more than 350,000 employees around the globe. It's a great testing ground. What I'm looking for are those things that I think we could leverage and share externally, possibly refining or adjusting along the way. Then of course, there are occasions where we'll hear of things externally that could be helpful for use within our own HR function. It's an import-export type of role but probably, more focused on exporting.

Jacob Morgan: Okay. Now I have to ask you, you mentioned some innovations that IBM is doing internally, can we talk about what some of those innovations are?

Susan Steele: Sure, yeah.

Jacob Morgan: What are some of the cool stuff that you guys are doing internally around the HR that you think other people need to know about?

Susan Steele: We're doing a lot of cool things. Where to start? Probably if I just take this in the order in which an employee might experience some of these technologies from firstly being a candidate. We are using a great Watson API called Watson Job Finder or Watson Candidate Assist, which is all about helping candidates as they come to our career site or to any of our client's career sites. You know the thing, you've probably seen these sites where you have to navigate and you soon lose the will to live because they're complex and you've got to do a hundred dropdown menus and you just end up being frustrated.

Jacob Morgan: Yeah, they're a nightmare.

Susan Steele: Imagine letting Watson's help you out with that. Either you can ask Watson what you have at the moment in terms of marketing roles in New York for somebody with five to seven years' experience or to make it easier, you could just upload your resume or point Watson to your LinkedIn profile and then get some advice. We quickly do a scan of all available vacancies across the whole organization at the moment and very quickly come up with recommendations that would fit your background and your skills. Often, it's not just the obvious things. There's a lot of lateral suggestions as well because with the cognitive capability, we can look more broadly, we can process a lot of unstructured data and make inferences from that.

Jacob Morgan: That's pretty cool.

Susan Steele: Yeah. That's the first thing.

Jacob Morgan:        A quick question on that before you jump on to the next one.

Susan Steele:        Yeah.

Jacob Morgan:        Let's say right now I was looking for a job, is this something that anybody can use? You mentioned it's an API, I'm assuming you have to go through a third party, how do you actually take advantage of that if I want to apply for a job at IBM?

Susan Steele:        You just go to ibm.com and look for the career site and you'll have it right there. It'll give you the option of do you want to talk to Watson?

Jacob Morgan:        Wow, it's like a part of the career page?

Susan Steele:        Yeah, it's part of the career page.

Jacob Morgan:        Wow. Okay, now that's pretty cool. I thought you had to use some kind of technical stuff to get in there but it's already part of the page.

Susan Steele:        No, just get to the career site and you're up and running.

Jacob Morgan:        Okay. All right, let's jump into some of the other ones.

Susan Steele:        You can also ask other questions. You can ask things typical sort of candidate questions like what's the dress code, because we're not all wearing white shirts and ties anymore. Can I work from home? Other things. What's the culture like? Watson's equipped to handle a lot of those questions that people might have and to do so in very natural easy language.

Jacob Morgan:        Which is great. I have to ask you really quick. You mentioned work from home thing. I know that IBM is obviously … You guys were one of the pioneers in this space. You guys helped create a lot of the flexibility and so many companies around the world emulated what IBM was doing. Then recently, I think you guys had some changes to the workplace flexibility stuff that you guys were doing.

                     Are you able to talk about maybe what some of the challenges were? What went into some of the decision-making because a lot of the companies are thinking, "Oh my God, like why did IBM do this? Maybe it's not a good idea, we shouldn't do it." Anything you can share on.

Susan Steele:        Yeah, sure. What I'd like to comment on is probably not just IBM but we're seeing this in a number of organizations as well where the prioritization now is on a more agile approach to working and really equipping the workplace to be an enabler of a more agile approach to collaboration, to innovation and to solving client issues more readily as well as fostering learning agility.

The focus really here is on working in a more agile fashion with all the things that it entails, fail-fast, iterates, launch, minimal viable products and continue to innovate, and ideate and improve. With all of that, we've redesigned workplaces. Again, we're seeing this in other organizations as well where they've redesigned the physical workplace. Gone are offices and cubicles but you have whiteboards that can be moved around, you have spaces that can be quickly reconfigured. You've got walls that can be covered in post-it notes. You have little quiet zones for where you have to go and huddle in a small team or maybe just individually on the phone. The workplaces are being redesigned to foster this new way of working.

All of this means that as employees are now working in these spaces, they're able to work in this new fashion. It really is enabling this new way of working. I think that was by far the biggest driver that I've seen across many organizations that are rethinking the workplace in order to foster a more agile approach to working.

Jacob Morgan:     What about the workplace flexibility stuff? Do you still have clients or even IBM internally? Can people still work from home?

Susan Steele:     Oh sure, sure. Yeah.

Jacob Morgan:     I know this is a question that I ask quite a bit.

Susan Steele:     Yeah.

Jacob Morgan:     As the media tends to do, right? They tend to take things a little bit out of context.

Susan Steele:     Exactly.

Jacob Morgan:     The headlines all over the place were like, "Oh my God, IBM is killing workplace flexibility. Nobody can work from home in IBM." Is it as extreme?

Susan Steele:     A couple of the data points on this. Firstly, the percentage of employees who will be coming back into an office having been entirely homebased is very, very small. It's less than 2% of our employee population. That to me is a pretty small number. It doesn't align with the headlines we've been seeing. Then even with that, something like one in five of our employees in North America will continue to work at home full-time. It just depends on the role and certainly, everybody is encouraged to have that flexibility with their schedules and their lives as needed so that hasn't gone away either.

Jacob Morgan:     Why did it get so blown out of … Was it like just the media doing a typical link bait stuff because it sounds like you still have a pretty big workplace flexibility program.

| Susan Steele: | Yeah. |
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Jacob Morgan: You still have a lot of remote employees. You're redesigning … It sounds like you're actually investing more in flexibility. I'm just and I'm sure a lot of are like, "How does that happen?" That must have been pretty upsetting for you guys to see that in the news and you're like, "No, no, that's not what's going on."

Susan Steele: Listen, I don't know. I can't really comment from a marketing and PR angle but I do think that sometimes the media likes to identify a trend and then find a data point they feel. That's it.

Jacob Morgan: Then go all in on it.

Susan Steele: Yeah. I think there was a bit of that is my observation. I think it's a really powerful and positive story and definitely one that is very much in line with what I'm seeing in many other organizations who are really investing a lot in, not only in agile workplace abut also, the skills and capabilities to enable that way of working as well.

Jacob Morgan: Okay, that makes a lot of sense. For a lot of the companies that you advice and that you're constantly in touch with, are you finding the workplace flexibility question is still very relevant? A lot of companies are still trying to figure it out, how do we do it? Should we do it? Is it still something a lot of people are concerned with?

Susan Steele: I can't say it's coming up a lot. The only time I have seen it is with organizations who for legacy, historical reasons have tended to have all of their employees or something like 90% of their employees in one location, in one physical large campus, for example, or a corporate headquarters. Where just by virtue of needing more resources, a broader skillset or just new skills, they're having to have employees in other locations other than that main corporate headquarters.

Then this whole issue of remote working and gosh, if you're not working here on the main campus and you're somewhere else, does it really matter if you're in an office or not? Seeing organizations start to think about that flexibility issue and the importance of workplace in that context. I have encountered or been part of conversations along those lines but not so much with the organizations that are already very global and have a very globally distributed workforce.

Jacob Morgan: It sounds like if the company's global, they probably already have a lot of these things?

Susan Steele: They've worked that out, yeah.

Jacob Morgan: Last workplace flexibility question just because I'm nosy, you mentioned that 2% of the IBM population, this impacted them. Was it something about their work

that they were doing? Do you think that flexibility maybe isn't applicable to all employees? Maybe you can give people some insight around why that specific group? Is it something about the work or where they are? How do you balance all that?

Susan Steele:    I don't know specifically but my hunch would be again based on many organizations I speak with that is probably a function of the roles and the nature of the work that is involved in those roles. For example, we are talking to a lot of organizations about agility in the technology function. We're talking about agility in the marketing function. Increasingly, we're actually talking about agility in the HR function as well.

What that says is that if you've got employees who are in those areas, you're going to need to consider how to best infuse a more agile approach to working in every touch point of that employee life cycle. It's just harder to do that when you're not able to influence the physical workplace where work and innovation and an agile approach is happening every day.

Jacob Morgan:    Got it. Okay. Sorry to go off on a tangent.

Susan Steele:    No, it's okay.

Jacob Morgan:    Let's go back to some of the other cool stuff that you're doing. You talked about Watson for new candidates. Let's talk about some of the others.

Susan Steele:    Yes, if we would pick up from we've left our candidate there, they've been chatting to Watson, they found some great opportunities and now if we turn the lens to go to the role of the recruiter. For most recruiters, one of the most challenging things that they have to do, a couple of things, but they've got to balance their workload because most recruiters are running anywhere from, I don't know, 10 to 15 roles they're looking to fill at any one time. I'm sure somewhere it would be far more than that and others must be fewer. There's a lot on the go.

Then they'll have a broad mix of candidates as well for each of those roles. Using Watson to help prioritize and optimize the workload based on the historical difficulty or just current talent supplies is very useful. Most importantly, I think using Watson capabilities to help look at a whole long list of candidates and decide of all these candidates, who's going to be the best fit for this role? We're using Watson technology to compare and contrast candidates to what we call a success profile.

The profile of somebody who's been very successful in this role in the past or conversely, if it's a new area maybe somebody whose capabilities we just want to emulate. You often find in recruitment people will say, "This candidate's a real star, get me 10 more of them." This is a way of using Watson to plow through lots of candidate data on a whole vast pool of candidates and come up

with recommendations on the top candidates to be focused on and those most likely to succeed in the role.

Jacob Morgan:     A quick question about that before we jump on anything else. I've heard some people talk about I don't know if I would call it dangers but their fear of relying so much on technology to make decisions. Let's say Watson's helping you figure which candidates you should hire and which ones you shouldn't. Is it purely a technology decision? Do have humans also looking at that because I'm sure some people might wonder what happens if Watson loses something?

Susan Steele:     Exactly. It's a good question. It's a really good question. With all the Watson technology it's making recommendations. It's not about completely coming out of the driver seat and completely handing over all decision-making to a cognitive tool. A cognitive tool is really to help augment decision-making. I may still decide to overrule or to maybe not put as much weight on Watson recommendation if I'm aware of some other information that maybe haven't fed into the Watson tool.

Watson will always show the degree of confidence in the recommendation. If Watson has a high degree of confidence, I might be obviously more willing to consider that recommendation than if it's a lower level of confidence. It's always about making recommendations rather than completely taking over the recruiting function.

Jacob Morgan:     That's good to hear. I know that people that have seen Watson play Jeopardy will remember when it gave the responses, it gave the confidence level of how sure it was based on that.

Susan Steele:     Exactly.

Jacob Morgan:     Similar kind of idea. Also, I heard that … I can't remember what it's called. You have a program internally where I think it's Watson or something that can help employees figure out internal jobs, internal mobility. You sign up for something and it's called like Blue …

Susan Steele:     Blue Matching.

Jacob Morgan:     Yeah, Blue Matching. Can you talk about that too because I think that's pretty cool?

Susan Steele:     Yeah. That's a great segue. Obviously, once employees come into IBM we would encourage them to continue to develop and grow their careers here. One way of doing that is really helping to expedite and facilitate internal mobility. This is an area where I see a lot of organizations still haven't really cracked it. Either they don't have the resources to help find people out about roles or they don't have the mindset and ethos of encouraging internal mobility. Thankfully, we have both of those at IBM.

Specifically, on the technology front, we use a tool called Blue Matching which we also have a number of clients who are using this as well which is basically using cognitive technology, Watson technology, to assess your background, your skills, your job experience, even your performance against all available vacancies at the moment and make recommendations for you as to what roles might be a good fit for you, including things that you may not have thought of. It's great for some lateral ideas. Then those who are interested in this can subscribe to a regular alert that comes to them to let them know at any point in time roles that would be a good fit for their skills and experience.

Jacob Morgan: I think you've had a, what did I hear, was it 4 or 500, probably even more at this point that have gone through that and ended up staying at IBM instead of leaving because they've found other roles inside the company?

Susan Steele: Yeah. It's widely used and we really encourage it but what I would say is that this isn't a matter of getting the technology and plugging it in. You really need a management and a leadership philosophy that says, "It is good and proper," and to be encouraged to have people move internally. I've seen a lot of organizations where even with the best technology, nothing's going to change because leaders are not open to this idea that internal mobility is ultimately a good thing. We'd rather see somebody move elsewhere in the organization than leave to get that new experience.

Jacob Morgan: No, I agree. Any other interesting technology stuff that you want to share of what you're doing internally? Then maybe we can talk a little bit about some of the physical space stuff that you're doing. You've talked about management and leadership so we can talk about that too but anything else on the technology side? Maybe around how employees are working or anything you want to share there?

Susan Steele: Yeah. There's a couple of more things that I think are really interesting in this space. Continuing the employee journey, we're using cognitive technology to help in the on boarding process. A big thing when you're a new employee is you have a lot of questions. You have those questions both before you join and after you join. Chances are you'll be asking either your new line manager or colleagues around you or maybe calling up the recruiter who brought you in.

Basically, you're impacting the productivity of a lot of other people by just having a lot of questions. We're using Watson, we have a cognitive onboarding advisor that is available to pre-hires before they actually arrive at IBM and then once they're here helps them as well answer their questions 24/7, sends them links to things and basically, is their buddy, all-knowing buddy, to help ease the way and improve the new hire productivity very dramatically.

That to me is an incredibly practical use of the technology that you'd be hard pressed to replicate that with a person.

Jacob Morgan:    No, it sounds like it. I think we've heard a couple of stories of companies that are trying to use, they usually say chatbots but I don't know, would you consider this a chatbot? It sounds like it's more than just a bot.

Susan Steele:    Yeah. Chatbot's this most basic form of the tool I would say, which can do basic Q&A. What we're doing is using cognitive technology which is learning. It's learning as it goes, learns about you or learns from the 300 other new hires it was helping in the last month. The answers and the inputs is getting better and better with each iteration. That's a fundamental difference between a more static chatbot and a cognitive tool which continues to learn and improve.

Jacob Morgan:    Okay. Good. Yeah, I'm glad you talked about that distinction. Okay, carry on. I'm learning a lot listening to this.

Susan Steele:    Okay. Then, obviously, a big area of focus at IBM but also at many, many organizations is learning agility. I think every organization is challenged to develop new skills quickly, to be able to pivot and develop capabilities as needed to address new opportunities or market disruptions. What we're doing is taking the Watson cognitive technology and using it to completely transform the learning experience.

Imagine switching on your phone or your laptop and having personalized recommendations just for you in terms of learning based on your role, based on your career aspirations, your performance, but also your preferences. I love podcasts, for example, so my cognitive learning feed is actually recommending more podcasts to me because that's how I'd like to learn. Other people like books or videos or other programs so based on personal preferences that would be in the mix as well.

Basically, it's switching on and having recommendations very much personalized down to the individual employee with learning in bite-sized pieces, which is the other big part of this. Gone are the days where people are going to watch beyond an eLearning program for an hour or two, it just isn't happening. We will do it in bite-sized pieces. Grab five minutes between meetings or while I'm at an airport. We're using cognitive technology as well to break down all the learning content into more smaller chunks, small bite-sized pieces but then curate that in a way that's personalized for every single employee in the organization and serving that all up in a really great user interface with great design that makes it compelling and using some gamification and badging as well just to make it exciting.

Learning is really being turned on its head with cognitive technology as well which is really an exciting place to focus now.

Jacob Morgan:    It sounds almost like a Netflix or an Amazon but for learning.

Susan Steele: It is. Yeah, very much like Netflix. You switch it on, it knows you and it's making smart recommendations. Actually, what it does and we've seen this at IBM, it's actually made people want to learn. Our learning hours are through the roof which is fabulous.

Jacob Morgan: Yeah.

Susan Steele: We already have a general rule of thumb that says, "Everybody is expected to invest at least 40 hours over the course of a year in learning." We're seeing many employees go far beyond that now just because the learning is so engaging and accessible.

Jacob Morgan: Which is I'm sure something that chief learning officers and HR officers around the world would love to hear.

Susan Steele: Yeah.

Jacob Morgan: And see inside of their companies. All right, was there anything else you wanted to touch on before we move into a space for culture, anything else on the work side?

Susan Steele: I think the only other thing I would comment on is that the other big area where we're seeing a lot of changes due to this new technology, cognitive technology is in the way HR services are delivered. Being able to use a cognitive HR advisor means that a couple of things can happen. Firstly, I can get the information I need whenever I need it. It's intuitive. It understands the questions I'm asking. Secondly, I can then be fast tracked to speak to an HR advisor if indeed I want to or that's the most appropriate next step given my query.

What we're finding is that it's really freeing up HR organizations to focus on the one-on-one conversations on things where that's really appropriate but freeing their time to focus on more strategic issues because employees are now having much more self-sufficiency than it has been possible in the past.

I think that's quite an exciting area where we're going to see much more of that, that's going to become much more the norm and this will really create a lot of much needed capacity in HR organizations to focus on some of the thornier talent issues that are on the horizon.

Jacob Morgan: Okay. Let's transition a little bit. You mentioned some of the physical space stuff that's going on at IBM. Can you touch on what's going on there and why you are even doing anything around the physical space?

Susan Steele: I think it is very much tied to a focus on different ways of working and working in a more agile fashion, small teams, stand up meetings, having to just reconfigure and realign groups and workplaces very easily. Workplaces that can be easily reconfigured as well as offering a wide range of workplace

environments, quiet spaces, collaboration spaces, huddle spaces, coffee spaces, you name it. I think that like a lot of organizations, we've had to invest in transforming the physical workplace as much as the skills and mindset around agile working.

Jacob Morgan:     I'm glad you mentioned a variety of workspaces because as I'm sure and you probably have these discussions with a lot of your clients and customers. People seem to be very obsessed with either just open or just closed spaces. They forget that there's a whole spectrum of different environments that you can create. I love that you mentioned some coffee spaces and quiet areas and lounge areas. It's not just like, "Hey, everybody at IBM's got to sit in an open space or everybody's got to be in a cubicle."

Susan Steele:     Yeah, exactly.

Jacob Morgan:     Diversity, it sounds like is important there.

Susan Steele:     Yeah, diversity and I'd say a variety of spaces and then even within spaces, the further option to reconfigure those spaces as well. Move things around, a lot of things on wheels and stuff that can just easily be quickly adjusted as needed. Even increasing the temperature settings, lighting, as well as walls, white boards, just flex it around to help enable whatever you need to get done at that point.

Jacob Morgan:     Do you ever have anybody that comes to you and says, "We just don't have money for that"? Like, "We don't have a budget to redesign our space."

Susan Steele:     Sure, yeah.

Jacob Morgan:     Is this a question of how much money you have and the companies with the most money will have the best experiences and the best spaces or is something else going on?

Susan Steele:     Listen, I'm sure most organizations feel that this is something that's may be beyond their budgets. I think back to my time at WPP and we were encouraging our businesses around the globe to rethink their workplaces and frankly, some of the best designs were the ones that cost very little. People throwing in some bean bags into a meeting instead of the chairs that were in there previously. It was not big budget items. I think this notion that it has to cost a fortune is a bit of an excuse perhaps for not taking action because in my experience and especially if you set this to employees themselves to figure out, chances are you're going to come up with some great ideas that are not that expensive.

Jacob Morgan:     I'm glad you mentioned that because the several CHROs that I've had on this podcast all say that it's like don't use budget as an excuse for why you can't do something. That's a pretty lame ...

Susan Steele:          Yeah.

Jacob Morgan:          [crosstalk 00:43:49] the default too. I'm glad you mentioned that. It sounds like the physical space is definitely something important. You also touched on your previous roles and previous careers. One of the questions that I wanted to ask you is if you look back over your career, not just in HR but just general in being in the business world, are you able to see clear differences around what businesses was like then versus how it's now or what HR used to be like then versus where it is now?

Susan Steele:          Yeah. I think that's a really fascinating topic to consider. What I see now is that talents and HR issues are now really on the top or at least in the top five of every CEO's agenda. HR and talent is in the spot like it's never been before. I think that's a big difference. I think if we look back 10, 20 years ago. That was not the case. Nobody was really thinking about that. CEOs were not losing sleep at night over that. They were maybe focused on other aspects of the workplace but now the right skills are in very high demand for many organizations and in short supply. I just see that as a major shift.

                       I think the other big shift is just timing and how quickly things are changing now. It's as if somebody just turned up the speed on the movie and now change is happening much more rapidly because we feel that in this new era really change has never happened as fast as it's happening now. I think that also is shaping the HR agenda and is a big difference from where we've been in the past. I call out those two things as being signs that we're now in a very different era.

Jacob Morgan:          What are the challenges that you and the HR team at IBM are personally faced? Like are there certain things that you guys are still trying to figure out or struggling with or specific challenges that you're just really trying to solve?

Susan Steele:          Well, I think finding the right talent with the right skills is something that we are challenged by as are many organizations. We've had to take a much broader perspective on how to address that. You may have heard our CEO and chairman speak about new collared jobs, this idea that the skills that are needed now do not necessarily require a college degree. For example, we have I think about 10, 15% of our workforce now who do not have college degrees.

Jacob Morgan:          Really? Like no college degree at all?

Susan Steele:          No, no. They have coding skills.

Jacob Morgan:          Wow.

Susan Steele:          Sorry. When I say 10-15%, I say 10 or 15% of people we've recruited over the last few years. In the US, about 15% of the people we've recruited over the last few years do not have college degrees but they have-

Jacob Morgan:     That's amazing.

Susan Steele:     -technical skills that we need. They've got the coding skills, they've got the technology skills that are absolutely front and center, but these are not necessarily roles that require the full breadth of a college degree.

Jacob Morgan:     That's really cool.

Susan Steele:     Yeah, it is amazing. Yeah.

Jacob Morgan:     Yeah, I was talking with somebody the other day and we were talking about the future of colleges, future of universities. I basically mentioned that if, let's say, the Fortune 100 or Fortune 500 one day all came together and said, "You know what? You don't need a college to work here anymore." I wonder how many people would still actually go to a university knowing that they can still get a job without having that college degree.

Susan Steele:     Yeah, it's an interesting question.

Jacob Morgan:     Yeah, it's amazing that you guys are no longer making that a requirement for very job.

Susan Steele:     Yeah. I think you'll see in a lot of organizations now if you read their role descriptions when they're recruiting you'll see language that is a little bit more flexible and open around that than it's been in the past. Where it used to say must have college degree, it may say college degree preferable or it may not say anything about college degree just to broaden the lens and recruit from deeper talent pools.

Jacob Morgan:     Yeah, I wish more companies would do that. I'm actually not aware of that many … Actually, IBM is the only one that comes to mind. I've heard of companies like I think it was Accenture or Deloitte that said you no longer need a college degree from a top tier university but I haven't heard so much of this, you don't need a college degree in general. Anyway, you were talking about the new collar jobs so maybe you can carry on with that because I think it's a really interesting topic.

Susan Steele:     Yeah, exactly. I think the question was what are the areas where we're still focused and still looking to get more traction and certainly, as I said, I think not only here but in many organizations, organizations still challenged to get the right skills, right place, right time. I don't think that's gone away and I think the classic dilemma or choice of do we build it, so do we train for it or do we buy it, do we recruit from outside is still probably one of the most important aspects of an HR leader's role is getting that mix right and constantly adjusting that as needed but both are important.

I don't see either one going away anytime soon. We're still going to have to recruit from outside and we still have to continue build and grow capabilities from within. Then as mentioned before, foster that internal mobility so that we can flex and have people move into areas where their skills are needed and out of areas where maybe those skills are no longer needed.

Jacob Morgan:    Before we talk about some of the management and leadership stuff, I'm just curious. Are there any specific big trends that you yourself are paying attention to that you're like, "Yeah, we should keep an eye on this because this might be something important." What are you paying attention to?

Susan Steele:    Yeah, of course. Yeah, so I'm always looking at trends and thinking what's the next thing. One of the areas that I find really interesting now is blockchain as it applies to HR and I think we're just starting to see some green shoots there. I suspect if we're having this conversation in a year or two, this would be a foregone conclusion in a way that I don't think it is quite at the moment.

Jacob Morgan:    Why blockchain in HR? What do you see is the potential there?

Susan Steele:    Certainly at IBM we see blockchain technology being used across an increasingly broad range of issues or problems to help address those. Whereas blockchain maybe is perhaps the most often considered in light of financial transactions, market transactions, we're seeing it used much more broadly across supply chains for controlling food quality, for example, ensuring that the food that's being sold in supermarket X truly has come from the small farm in Vermont where the label says it comes from.

As we broaden the lens on where blockchain technology could make sense, it's interesting to consider what that might look like in HR. We've been having conversations with organizations who are needing to have a quick and easy way of validating employee status across a whole ecosystem. Imagine a large maybe a holding company have lots of different divisions but they're not, really the HR systems aren't connected up. If you want to move an employee from company A to company B within the holding company, blockchain's a great way to have a single source of truth for all of their employee records and if you need to confirm academics, performance, compensation, all of that.

I think there're some very practical areas where we're going to see blockchain be a tool that is considered more frequently in the HR space than we've seen in the past.

Jacob Morgan:    I think that would be a very interesting application of a blockchain. Any other interesting trends that are particularly catching your attention?

Susan Steele:    Well, I think that the whole area of internet of things as well will be really interesting when we see this applied to learning, for example, and bringing in multi-data sources to deliver information real time. Maybe to help an employee

do their job more safely, for example, or learn on the job. I see it as a useful performance support tool. I think we'll see more of that as well. I mean, that's already starting to happen in some fields but I think we'll see much more of that.

What I'm seeing generally is that with these new technologies, they're going to really be changing the way HR is delivered and the way HR organizations are even structured, their operating models, because I do think that HR really needs to be reimagined with cognitive and digital and these new technologies. I see a lot of changes there. I think it's a very exciting place to be but again, I think over the next few years we'll be seeing a lot of changes in those areas because of these technologies that will be really profoundly changing what HR leaders do and how HR organizations are structured and ultimately, the type of experience that employees have.

Jacob Morgan:    There're so many different types of technologies, AR, virtual reality and AI obviously we talked about quite a bit so there's just tons of stuff out there. All right, so we just have a couple of minutes left and the one thing that we didn't touch on really is this whole management and leadership aspect. You mentioned earlier that technology itself is not going to drive change, you need to have the management and leadership mindset that supports it.

Can you talk maybe for a minute or two around what that means, I mean what you're seeing in that space? Are managers and executives of companies still struggling with trying to understand these changes that we're seeing or are they pretty receptive to it?

Susan Steele:    It's hard to generalize but what I would say is that I think really savvy leaders are looking to adopt what I call a sense and respond mentality to how these changes are being received by the organizations they lead. It used to be that if you're leading a transformation you just send out an email or something and tell people change is coming, get on the bandwagon and that's that.

Jacob Morgan:    That simple, huh?

Susan Steele:    Yeah, well, exactly. It doesn't work that way but what we do have now are the ability to constantly review information for sentiment analysis, for example. Scanning whether it's internal social media posts or external posts on Glassdoor or Twitter, wherever, to get a sense of what the people in a given organization are feeling about things and get ahead of issues that may be emerging. Trends almost as they're just becoming trends that might have a negative impact on transformation or on the organization more broadly.

We're seeing leaders now being equipped with these capabilities in a way that is really game changing for them. No longing are they having to guess but they're having more data at their fingertips to make better decisions, the same with predictive attrition. Gone are the days where you have to do a guesswork with

your retention strategies or retention resources but you can really be very targeted now on focusing on actions that will help adjust specific retention issues as flagged through predictive attrition metrics.

It's freeing up leaders to do more of the one-on-ones, more time for feedback for the things that really create the stickiness and ultimately help drive better performance. I think these tools are very much changing how leaders lead and how managers can be that much more effective.

Jacob Morgan:       Yeah. I think the one-on-one time and the more human aspects inside organizations is definitely something that we can use much more of.

Susan Steele:       Absolutely.

Jacob Morgan:       When you think about the future of HR, what do you think about? I mean, if you were to look, let's say, five or 10 years down the road, is there anything that you would like to see or hopeful that you will see?

Susan Steele:       Well, yeah. I think probably two things. Firstly, very much talent-centric and that sounds obvious that HR would be talent-centric but I'm not sure it always has been. I think employees or maybe not even employees but people as part of your broader workforce are very much going to be in the driver's seat. Just like organizations are customer-centric, I think that organizations also need to be talent-centric and we're going to see that shift much more.

Then I think the other big trend is definitely that things are going to be AI powered. Artificial intelligence is going to be very much woven in to every aspect of the HR organization. We see a lot of that already and I don't see anything that's going to significantly change that trend, certainly not for the next three to five years. I think we'll see that even more. Talent-centric and AI powered I think will be the HR organizations that we're going to continue to see over the next five years and longer.

Jacob Morgan:       Good combination of human with AI and data and analytics. I think that's a good combo.

Susan Steele:       Yeah, exactly. Exactly. The human is still there, that's important.

Jacob Morgan:       Yes, yes. That's very important. All right so now I have a couple of fun questions for you just so people can get to know you a little bit. First is, what's the most embarrassing moment you've ever had at work?

Susan Steele:       Oh gosh, the most embarrassing moment. I think probably, this was pretty embarrassing. My very first trip to the Middle East, I was in a meeting where it was all men, this was when I worked in banking so that's not unusual but they were all wearing exactly the same outfit and with their [inaudible 01:03:43] and they came over to greet me and formed a bit of a circle around me so I was

saying hello and greeting each one of them. I didn't realize that actually I had already gone around the full circle and I was making a second rotation saying hello again to some of the same people.

Jacob Morgan:     Some weird custom, right? You greet everybody twice. All right, that's [crosstalk 01:04:13].

Susan Steele:     Exactly. Twice. Yeah.

Jacob Morgan:     I like that one. What's a book that you recommend? It could be a business or a nonbusiness book.

Susan Steele:     A book. Well, the book that I think is very interesting and actually has some great quotes from Diane Gherson, IBM CHRO, is called the Future Workplace Experience by Jeanne Meister and Kevin Mulcahy. It's interesting, it's very future-focused and I think has some good data points in there and some great quotes as well. Off the top of my head that's one book that I've read recently that I think is pretty interesting.

Jacob Morgan:     Okay. If you were doing a different career outside of HR, what do you think you would have ended up doing?

Susan Steele:     Possibly doing something with contemporary arts, running a gallery maybe.

Jacob Morgan:     Oh wow. All right. Yeah, that's very different than HR, right?

Susan Steele:     Mmhmm (affirmative).

Jacob Morgan:     Last two questions for you, if you were trapped on an island and could only eat one food for the rest of your life, what would that food be?

Susan Steele:     Well, is coffee a food?

Jacob Morgan:     We could go with coffee, absolutely.

Susan Steele:     Okay.

Jacob Morgan:     Last question for you, if you could have dinner with anybody alive or dead, who would it be and why?

Susan Steele:     Ooh. Let's see. Who would I like to have dinner with? Well, I think it would be really interesting to have dinner with Benjamin Franklin.

Jacob Morgan:     That would be interesting.

Susan Steele:     I spent a lot of time in Philadelphia and like Benjamin Franklin, I went to London and lived there for a number of years and his footprints are all over London

including still the house where he'd lived when he was there. I think it would be really interesting to talk to him and just understand what his interests were, what motivated him, and just get to understand what was going on inside his head.

Jacob Morgan: Yeah. He would be a pretty fascinating person to have dinner with. All right. Well, I know we are at the top of the hour, Susan. Huge thank you for taking time out of your day. Where can people to go to learn more about you, to connect with you, I know you're on LinkedIn, anything you want to mention in case people want to get in touch or connect?

Susan Steele: No, feel free to get to me on LinkedIn. I'm also on Twitter @TalentTalking but either one is fine. Look forward to hearing thoughts on the back of today's discussion and thank you so much, Jacob.

Jacob Morgan: My pleasure and thanks everyone for tuning in to this week's episode of the podcast. My guest again has been Susan Steele who's currently an executive partner of Global Talent and Engagement at IBM. I'll see you all of you guys next week.

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