



*Bulding the future of work together*

## Why total talent management is the key to managing an extended workforce

By Denis Pennel

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**When we interact with companies we rarely stop to consider what type of contract the people we are dealing with might be working under.** Of course as outsiders, it's none of our concern anyway, but the fact is there has been a significant evolution in the way in which organisations hire and manage talent and nowadays, an organisation is likely to employ people under an array of different contractual arrangements.

**For every 100 workers, we might expect the following contractual breakdown:** Some 60% will be working under a full-time, open-ended contract, while the rest, a significant minority, will hold a diverse range of work relationships: about 10% will be part-time or teleworkers, another 5% will be agency workers and a further 10% are likely to be employed under fixed-term contracts, undertaking a specific project of determinate duration. The remaining 15% will most probably be made up of consultants, freelancers and interim managers, many of whom work remotely and are rarely, if ever, present in the office.

**In the US for example, the Freelancer's Union's 2014 'National survey of the new workforce' reported that 34% of the workforce are now working as freelancers.** Organisations regard this extended workforce strategy as a strategic step that enables them to adjust to changing demands for skills and to quickly supplement any internal skills gaps. Taking a more varied approach to access specific skills allows companies to fish in a global talent pool and it is estimated that there are over 1.4bn mobile workers around the world today.

However, an extended workforce, with its diverse contractual arrangements and expectations presents organisations with a management challenge and many turn to *Total Talent Management* to administer their staffing needs and ensure they find the right talent for the project, no matter how

the person is classified or where in the world they live. Indeed this will be one of the themes that our **World Employment Confederation annual conference** will be exploring this year when we meet in Dublin from 6-8 June.

So what is total talent management? Staffing Industry Analysts describes the concept as integrating and engaging the full range of talent sources from traditional employees to a wide variety of non-employee workers including temporary workers, independent contractors/consultants/freelancer, volunteers, outsourced resources and even non-human options such as robots, drones and cognitive computing applications.

Managing the acquisition and engagement of talent in a holistic way offers a host of benefits: companies can find the right person for a specific role, irrespective of geography; there is no need to on-board or integrate full-time workers for projects that don't need a full time resource; and organisations can be flexible and competitive by retaining talent in function of project needs.

The employment industry has been at the forefront of developing workforce solutions to meet this changing environment. In addition to its core business segments of permanent recruitment and agency work, over recent years the industry has developed additional HR services such as interim management, freelance platforms and payrolling to support companies in their workforce management.

**This new, extended range of HR services for talent can be summarised in three words: Buy, Rent, Build.** Employment agencies allow companies to buy talent in a permanent way (direct, open-ended contracts), to rent talent via temporary contracts (fixed-term, agency work, interim management etc.) but also to build the customers' own workforce via training, career management and on-boarding solutions.

Total talent management is best suited to organisations seeking flexible workforce solutions to meet the demands of a more project-based, cyclical business that likely has a constant need for new and emerging skills in order to remain innovative and ahead of the curve. It can be embraced in a number of different ways: some companies work through an agency or organisation specialised in the process, while others go it alone and take advantage of advancing technologies to enter into direct partnerships with independents or freelancers.

**Working with a Managed Service Provider (MSP) has its advantages as they will handle all the tools, technologies, and documentation needed to ensure that the structures for effective communication and delivery are in place.** They will set up the necessary systems and processes such as reporting structures, progress tracking and feedback mechanisms. They also determine what levels of access to company information, intranets etc are needed by non-traditional staff in order to carry out their work. Crucially, specialist companies will handle all classification of workers whether employees or contractors to ensure that the organisation is compliant and doesn't fall foul of any relevant labour laws or tax obligations.

In short, embracing total talent management requires an organisation to review its approach to talent, technology and processes and ensure that everything is running smoothly and that the experience offers a win-win solution for all parties.

Globalisation, the rise of an on-demand economy, new technologies and ever-more-demanding customers are having a significant impact on the way in which businesses operate – and that includes the way in which they structure and manage their talent needs. Organizations which recognise this and evolve their hiring strategies to reflect the changing world of work are likely to be at a competitive advantage. Embracing a total talent management approach has the potential to

reduce costs, raise the choice of talent and bring greater adaptability that enables their business to be agile, seize opportunities and to cope with changing circumstances.

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