

The Rise of the Talent Ecosystem

FoW by HSM Insights Report
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Introduction

For 15 years, the Future of Work by HSM has explored trends shaping industries, organisations and careers.

By 2030, half of U.S. talent is expected to be independent.¹

Organisations must adapt to a reality where sourcing top talent goes beyond traditional full-time employment models.

This shift, coupled with the growing demand for specialised skills on an as-needed basis, offers both challenges and opportunities.

This Insights Report outlines the key mindset shifts needed to evolve into a more flexible and dynamic organisation in the age of the talent ecosystem.

Our methodology

The insights contained in this report are drawn from our analysis of 10 interviews and 3 hackathons, including 36 participants from 13 organisations.

These insights were combined with HSM Advisory's **The Rise of the Talent Ecosystem Masterclass event**, quantitative data from polls and mentis, and a thorough literature review.

- 03** Key recommendations
- 04** Why is the talent ecosystem a priority now?
- 05** What are the challenges?
- 06** How can you respond?

Key recommendations

Below are actionable steps for maximising the potential of your talent ecosystem to embed agility in your organisation:



Gain a deeper understanding of time

Map out how different employment groups are using time to get work done across your organisation.

This will help you better leverage time as a resource toward productive outputs.



Design work thoughtfully

Well-designed work is the starting point to leverage your talent ecosystem.

This means focusing on skills over job descriptions and collaborating cross-functionally for a joined-up workforce strategy.



Create dynamic deals

Ensure the deal you offer is robust and clear, yet flexible enough to meet changing needs and circumstances.

Equip managers with the necessary skills and support to effectively lead blended teams, as they shape the daily work experience.

Why is the talent ecosystem a priority now?

The relationship between the organisation and the worker is becoming increasingly fluid.

Workers and organisations interact in various ways, depending on the time they spend together.

Knowledge workers have always wanted flexibility and autonomy, but organisations were not set up for it.

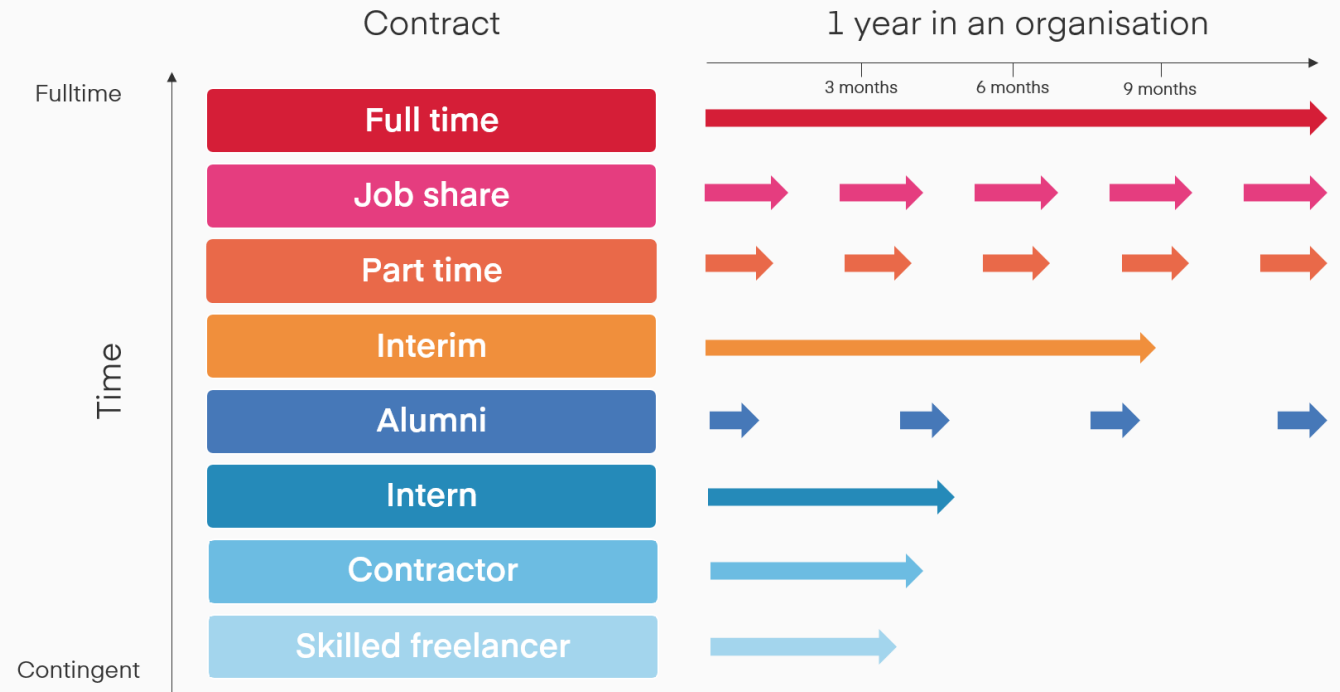
However, changing ways of working have accelerated a shift towards more independent work, with **forecasts indicating that independent workers are expected to make up 35-40% of the global workforce by 2025.**²

Furthermore, specialised talent platforms now offer access to over 500 million skilled professionals, supporting a shift towards a greater variety of contractual arrangements and a more flexible talent ecosystem.³

Currently, 86% of our Future of Work Network members report minimal to no non full-time employees (FTEs) in their organisation.

However, **55% anticipate achieving an equal balance within the next three years.**⁴

Taking advantage of this rise in the talent ecosystem poses a number of challenges for organisations.



What are the challenges?

Our research indicates three dimensions to this change: **time**, **work** and the **deal**.⁵

- 1. Old assumptions about time are no longer valid.**

In the past, career paths were linear, with long-term commitments to a single employer; now **people expect to have varied careers**.

Meanwhile, hybrid and remote working mean **organisations have less visibility around how time is spent** towards productive outcomes and how engaged and invested their people are.
- 2. Being at work is no longer performative.**

Work is no longer space and time-bound, it has become **outcome-led and skills-led**. This requires a significant shift in how work is organised.

Clear productivity metrics and a strategic approach to skills are now crucial.

Organisations must first identify their **core capabilities**, map their **desired outcomes**, then determine the **necessary skills** to fill any gaps.

- 3. The deal looks different across groups.**

The deal with employees encompasses **legal, financial, and social elements**, which will vary across employment groups, adding significant complexity.⁶

For example, there may be distinct rules for different geographies; organisations need to manage high costs and risk low integration; while balancing the transactional and human aspects of work.

These challenges can lead to unexpected consequences:

Access to a smaller talent pool will impact future leadership selection and alter career paths. Additionally, fostering a strong organisational culture becomes difficult, as collaboration and engagement vary among groups.

We asked 160 participants about the most needed improvement in leveraging their talent ecosystem, and 53% identified "**building a cohesive culture**" as a top priority.⁷

So how can organisations respond?

How can you respond?

Think of time as a resource

Time is used differently across employment groups in your organisation.

Work time can be split into synchronous (working simultaneously) and asynchronous (working at separate times) modes.

Full-time, job share, and **part-time** employees often use synchronous work to do projects and learning & development, while **skilled freelancers** and **contractors** typically work asynchronously, pursuing L&D independently.

In fact, independent workers are upskilling and reskilling 50% more than traditional workers.⁸

Understanding how time is used across your organisation allows you to strategically manage synchronous and asynchronous time to optimise productivity and meet diverse goals.

Leveraging time across M&C Saatchi



M&C Saatchi faced the challenge of **managing workload distribution in an agile way** across a predominantly independent workforce.

To address this, they overhauled the way they managed workflows across the business by quantifying all the tasks that people worked on, then digitising these workflows to **create real-time visibility**.

As a result, their managers now have a more accurate **understanding of workload distribution**, while independent workers gained clear expectations and greater flexibility in their roles.

This transformation not only streamlined operational processes but also created a more **dynamic and responsive work environment**, helping M&C Saatchi leverage their talent ecosystem more effectively.⁹

M&CSAATCHI

Be purposeful in how work is designed

69% of participants said the 'work' itself is top of mind right now.¹⁰

Redesigning work to leverage the talent ecosystem demands a strategic approach.

Organisations need to clearly identify their core capabilities, define the key outcomes they aim to achieve, and determine the skills necessary to address any gaps.

However, 47% of organisations lack a strategy for classifying skills.¹¹

To achieve this, organisations must adopt adaptive processes and practices. Our research identified strategies to improve adaptability, such as:

- Cross-functional coordination to align workforce strategy;
- Understanding and leveraging your core competencies through **full-time** employees;
- Adopting skills-based hiring, prioritising capabilities over roles and job descriptions.

Mapping skills at KPMG



KPMG aimed to **gain greater visibility of the roles and skills** they need to deliver their strategy, while giving their people visibility of skills and career pathways within the organisation.

To address this, KPMG is developing a global **Career Architecture Framework** that organises work and skills of a similar nature into job families, resulting in circa 1000 distinct profiles.

This serves as a foundational step towards a **comprehensive skills strategy**, directly linking career paths with requisite skills and enabling employees to assess their competencies against these benchmarks.

Now in its testing phase, this initiative aims to significantly **improve the employee experience**, ultimately aligning a **human-centred approach** to development with the wider organisational strategy.¹²



Create clarity across all your deals

The deal emerged as the biggest challenge for talent leaders in our network.¹³

This is because it varies significantly based on employment groups across the legal, financial and social dimensions.

For example, **interims** may have broad responsibilities, a high salary, but limited social protection; while **job shares** will have defined responsibilities, a pro-rated salary, and pro-rated social protection.

The deal impacts how people integrate into your organisational culture, making building a cohesive culture more difficult.

Meanwhile we are adding more to what we ask of our managers, who will require different skills to lead blended teams.

In fact, manager support came out as a key blind spot in our research hackathons. ¹⁴

Our research pinpointed key strategies for creating clarity across your various deals, such as:

- Aligning projects with career goals to deepen work engagement;
- Upskilling managers to lead blended teams;
- Integrating culture-fit within a skills-based hiring strategy;
- Creating space for advocacy for your non-FTEs.

Managers as sponsors at Johnson & Johnson



Johnson & Johnson wanted to **move beyond the purely transactional relationship** between freelancers and the organisation by building a support structure for their professional growth.

To do this, J&J introduced a sponsorship model. Full-time **managers act as sponsors**, advocating for the freelancers they're responsible for by coaching them and helping set goals to **advance their professional development**.

The sponsorship model fosters a culture of active engagement and professional growth for freelancers, promoting a more **integrated and developmental approach** to freelance work.

This leads to a stronger, **more collaborative relationship** designed to ensure freelancers are contributing to innovation and building skills within the organisation. ¹⁵

Johnson & Johnson

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