

# WHITE PAPER

## BIG TALENT: THE NEXT BIG STEP IN TALENT AGILITY

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**‘Big Data’** is the latest buzzword in IT. It suggests a collection of data so large and complex that it becomes difficult if not impossible to process using traditional database management tools and applications. So-called ‘big data’ is the consequence of massive data growth resulting from the *globalization of data* through the Internet and the paucity of data now being made available via the Internet. It is both an opportunity and a challenge:

- An *opportunity* because it has the potential to be a source of fresh insights that individuals and organizations have never been able to source by themselves (perhaps due to the economic costs of data acquisition or simply because they’ve not previously had access to the data assets). Much of the value of big data comes from harvesting insights that are either richer in quality or content as the result of their source, or are valuable when other ingredients are added. For example, traffic information can be made more useful when aggregated with road works plans and the movements of major logistics and trucking companies. This single page view of multiple data-sets builds a richer, more complete perspective on a topic.
- A challenge because big data exists beyond the boundaries of the enterprise and therefore the traditional tools and methods used to manage the security, governance, processing and analysis of small amounts of data simply don’t serve the new needs.

So what lessons can the talent management sector learn from the BIG DATA paradigm – what does it mean to HR strategists, and why do we think at the Workspend Institute that BIG TALENT is the next big step in talent agility?

## Introduction

### Defining Big Talent

BIG TALENT describes the talent pool that exists beyond the boundaries of the enterprise, providing employers with previously unassailable skills and innovation potential.

Similar to Big Data, BIG TALENT cannot be harvested or leveraged by adopting existing methods and tools: It requires a new approach to how employers think about sourcing and harvesting talent. 'Big talent' is the consequence of the globalization of labor markets and the recognition that a paucity of high quality talent exists beyond the boundaries of the enterprise. It is both an opportunity and a challenge:

- An *opportunity* because it has the potential to draw on fresh sources of talent that organizations haven't been able to source by themselves (perhaps due to the economic costs of data acquisition or simply because they've not had an access mechanism or source of supply). Much of the value of BIG TALENT comes from harvesting talent that is either richer in quality or diversity.
- A *challenge* because BIG TALENT exists beyond the boundaries of the enterprise and therefore the traditional tools and methods used to manage on-boarding, the transference of brand values (and attitudes), adherence to compliance policies, team building and productivity enablement methods etc. simply don't match up to the new employment paradigm with up to 1 in 4 workforce contributors being contracted via third party agencies.

### The BIG TALENT Paradigm

#### Why Big Talent Matters

There are a number of factors creating a demand for BIG TALENT including:

**There is a shortage of skilled talent and that shortage is getting worse.** Australia alone identifies a shortfall of 100,000 skilled engineers in Oil, Gas and Mining. In most workforce categories demand exceeds supply so the cost of labor is rising. Talent shortages exist across the board. According to McKinsey in their report 'The war for talent' many American companies are already suffering a shortage of executive talent. Three-quarters of corporate officers surveyed said their companies had insufficient talent sometimes or were chronically talent-short across the board. Faced with talent short-falls reaching levels that represent a high business risk, organizations have little choice but to seek specialist help to source the talent they need.

**Organizational talent needs are changing faster than ever before.** With a faster pace of change in markets and consequentially business models, organizations find they need one sort of talent in one moment, and another sort of talent the next. For many industries including pharmaceuticals, energy, education and healthcare, it has become next to impossible to accurately predict future workforce requirements. This means the lead-time talent managers have to react to new demands is shortening from annual cycles of review to monthly and sometimes even weekly iterations.

**Some talent doesn't seek full-time employment.** Younger generations don't seek or expect a job for life. Speak to members of *Gen-Y* fresh out of college and you'll find the only *cool careers* - where it's okay to commit your future to the flag of an industry - are Not for Profits, the military or the care sector! The alternative for many talented young graduates is to find roles 'one placement at a time' working through recruitment agencies and contingent labor vendors to secure the right sort of role for them on a project basis. This *campus culture* enables the young to take greater ownership over their career path, upsell their value on job markets competing for their talent and enjoy a lifestyle that embraces the social networking behaviors and mobile-tech tools they've grown accustomed to at college.

**Talent is becoming ever more specialist.** With the backdrop of an employment market that favors *predictable* career paths, individuals seeking to grow their CV 'one placement at a time' will increasingly seek to maintain an unwavering focus on their chosen discipline and shun employment roles that require them to dilute their CV in favor of career opportunities that re-enforce their specialization. At a time when supply was greater than demand for labor individuals 'took what they could get' but with the axis of power shifting in favor of the talented worker, opportunities to re-enforce specialist career paths will become the preferred route of the majority seeking higher salaries and better work-life balance.

## Establishing a Big Talent Agenda

Organizations seeking to access BIG TALENT should not expect this new paradigm of workforce opportunity will 'just happen' without changes in the way they think and act. While there are a growing number of expert third party talent management companies specializing in Managed Service Provision (MSP) able to perform the workforce optimization enablement role, organizations hoping to fully exploit BIG TALENT should not expect to find a sticking plaster solution to the problem of skills-shortages. Instead, a proactive agenda is required, driven by senior management policy to re-think how the workforce is sourced and managed. As with any policy-led activity, the four main process phases are:

### 1. Plan

Assessing the skills requirements of the enterprise, determining skills shortages and qualifying the best way of fulfilling actions that lead to strategic outcomes.

Re-visiting the role of vendors and qualifying how best to create an ecosystem of deep emotional support, knowledge sharing and communications tools, systems and processes for all forms of workforce contributor.

Short-listing vendors that possess the necessary balance of skills, reach, track record of advisory, change management and operational management competencies.

### 2. Deliver

Installing management and governance over delivery of BIG TALENT systems of supply and operational management including vendor scorecards and giving consideration towards how programmes incentivize third parties to adopt the most desirable behaviors in both *what they do* and *how they do it*.

### 3. Monitor

Monitoring the progress of BIG TALENT solutions.

### 4. Review

Reviewing the suitability, fit and performance of BIG TALENT solutions with the aim of iterating improvements and reducing business risk.

## Making Big Talent Work for Your Enterprise

There are a number of capabilities large employers need to install into their operating behaviors in order to leverage BIG TALENT:

**Employers have to be prepared to devolve non-core job disciplines.** A wide variety of workforce activities don't HAVE to be performed by permanent staff. Many roles within the disciplines of sales, marketing, manufacturing, nursing, teaching, research, logistics etc. are often better served by expert providers. Such providers are normally better equipped to service the task at hand and are likely to have access to larger talent sources because the activity is their core reason for being – making them an attractive suitor for talented individuals who want to grow their CV by focusing on their specialization. As the talent pool shrinks, the propensity to outsource specialist skilled activities to specialist agencies or talent markets (or websites) is likely to grow as a means to overcome internal talent shortages.

**Employers need to re-explore how they can break-down 'interaction jobs' into smaller chunks.** While many areas of the workforce have benefitted from automation and productivity advances, one area has remained largely untouched: work requiring extensive human interactions. Among these positions are the jobs held by knowledge workers—the doctors, engineers, lawyers, managers, sales representatives, teachers, and other skilled professionals who together serve as the engine of the knowledge economy. In the United States, this category represents over 40% of workforce roles. As access to skilled talent declines, employers will need to break-down these interaction roles into their component parts and identify tasks that can be hived off to allow the best workers to focus on value creating activities.

**Employers must be prepared to employ people on *their terms*.** Many individuals now seek a more flexible approach to work. Work-life balance and – when, where and how people work—matters to employees who are prepared to find alternative employment arrangements when the *fit* isn't right for them. By some estimates perhaps one-quarter of all US jobs could be performed remotely (In a 2011 McKinsey survey of 2,000 US businesses, one-quarter of them said they planned to use more remote workers in the future). The notion that every employee on the same pay-grade will just have to accept the same terms is not going to fly in the next decade. Employers are going to HAVE to be more prepared to work with their employees to get the right fit 'one employee at a time'.

**Workforce productivity must be re-defined.** It would be difficult to argue that the number of spreadsheets produced or PowerPoints presented could ever be a meaningful measure of knowledge worker productivity! Employers continue to struggle to measure and manage the productivity of their workers – particularly *knowledge workers* whose outputs are less clear than non-skilled roles that tend to produce more tangible contributions and outcomes. Short-term fixes surrounding workforce productivity have included software tools to register the attendance and activities of workers but these have proven to be largely superficial efforts that have yielded little evidence of positive results. Organizations seeking to adopt BIG TALENT will need to be sure their investments into human resources are producing the business outcomes they require. The surest way of installing these guarantees is to first of all soundly *appreciate what the desired outcomes need to be* and then *construct a mechanism to accurately measure contributions*. Until these basic steps are installed it is unlikely organizations will be able to engineer effective workforce productivity strategies.

**Human Capital Management must become more strategic and its activities should envelope the entire workforce.** In some employer organizations today, the HR function performs little more than an administrative role in strategic planning activities. The changing landscape of

BIG TALENT means that HR has to take on more strategic responsibilities to ensure that policies surrounding brand behaviors, compliance and performance are met. The make-up of the workforce will be increasingly diverse and fragmented with up to 25% of workers operating off-site or at unusual times of the day (i.e. flexible workers) while a further 25% will be contingent talent not directly employed by the organization (i.e. flexible workforce). We can expect a further 25% of strategic activities to be performed by specialist providers and outsourcing agencies. Human Capital Managers will need to find coherent ways to envelope the entire workforce community that contributes to business outcomes installing a deep emotional support ecosystem, mentoring, coaching, on-the-job training, knowledge sharing, communications tools together with governance over brand attitudes and behaviors – all focused towards the achievement of measurable outcomes in the most efficient and effective way.

**Leadership must exist at all levels of the enterprise to aid coordination.** In a world where the composition of teams changes rapidly as project-based contractors and temporary staff come and go, organizations will have to develop leadership skills at all levels of the enterprise to achieve the productivity needed from project teams. Managers must become nimble coordinators and better coaches to ensure that all tasks, wherever they occur, mesh smoothly and that information is shared effectively among colleagues. Group interactions will require more careful planning and will profit from social office tooling.

**Over-communicating must become a norm of behavior.** The growing diversity and transient nature of project teams will require managers to over-communicate what need to be done and how to do it if they are to ensure hand-overs occur successfully and project teams stay on the same page.

## Summary Conclusions

### Why Big Talent Matters

It is in the quality and behaviors of people that competitive advantage lies. The payroll remains the single most expensive cost to the majority of businesses and as such, it is mission critical to most organizations that they get their Human Capital Management right. But the notion that talent will in future be sourced exclusively on permanent contracts and will operate within the walls of a head-office premises is now truly dead.

With the advent of BIG TALENT, the sourcing and management of talent takes on a new level of opportunity and risk but it will take innovative and thoughtful management interventions to transition mind-sets and processes to embrace this new paradigm where the majority of talent is sourced and managed beyond the traditional Rubicon of the enterprise firewall.

## Contact information

### About the Authors

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### The Workspend Institute

The world of work is changing both for employers and employees. The Workspend Institute invests in acquiring and sharing insights on how flexible workforce strategies are evolving to assist its community of Fortune 500 partner organizations. For further information please visit [www.workspend.com](http://www.workspend.com).

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