

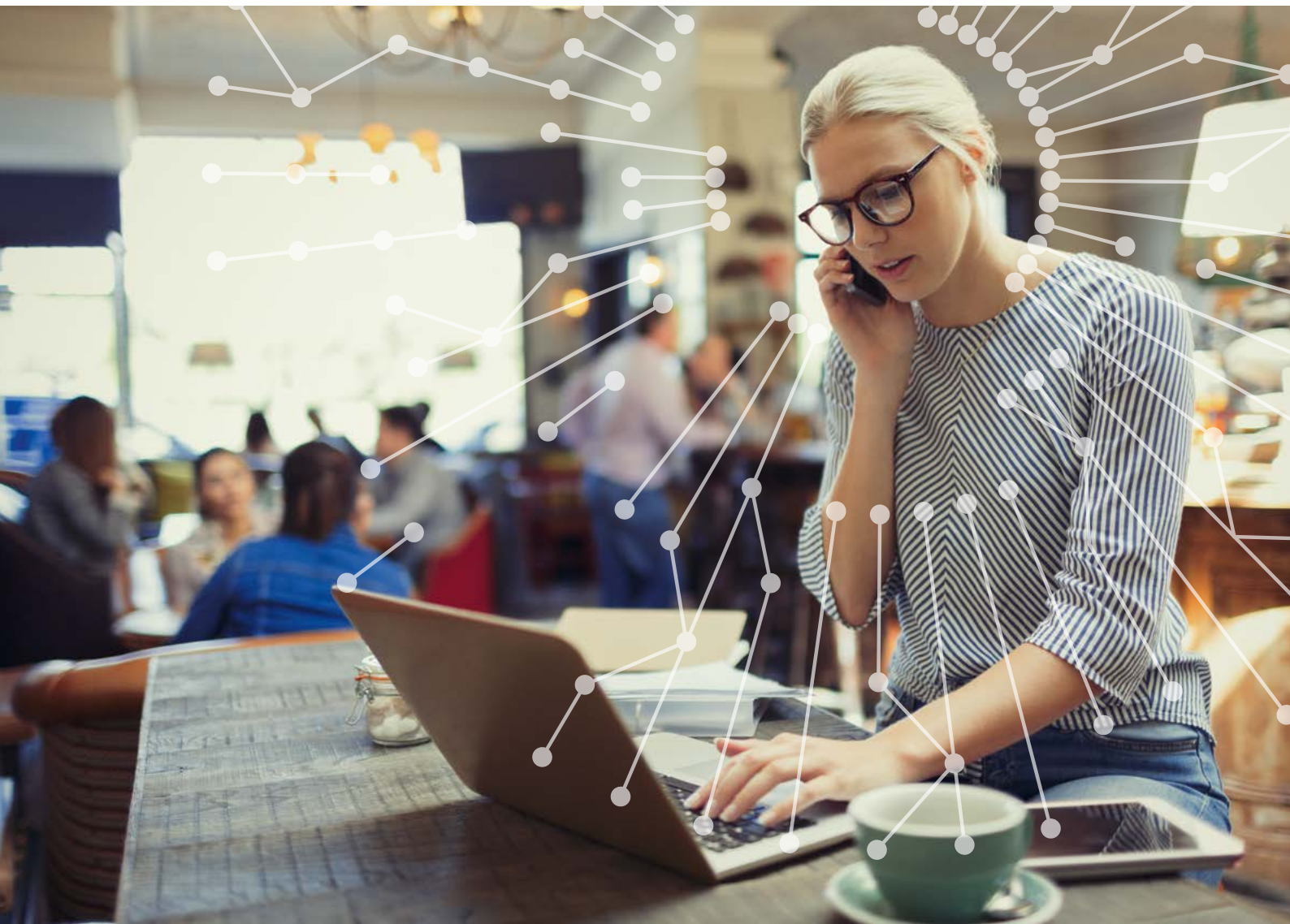
WHITE PAPER

Redefining Talent For the New World of Work

Stay Ahead of Change with Talent Portfolio Agility™



By: George Hallenbeck, Nicholas Horney, and Stephen Bateman





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Executive Summary

Exponential change is at our doorstep. [The World Economic Forum](#) states that we are on the brink of experiencing a Fourth Industrial Revolution. Some predict that we will undergo changes in multiple aspects of our lives in the next five years on a scale comparable to what we've experienced in the previous 50 years. We're beginning to see the early signs of the unprecedented velocity, scope, and impact of these changes on the workplace.

This white paper focuses on the effect that these rapid, unpredictable, paradoxical, and tangled (RUPT) changes will have on the talent landscape. It explores how organizations and individual leaders can adapt to—and leverage—these changes to turn what could otherwise be an overwhelming experience into an opportunity to thrive amidst the turbulence.

In just a few short years, the talent landscape will look completely different. While the specifics may vary by industry, no organization is immune to some of the major shifts that are already underway. But by getting a better grasp of what's coming and acting on some of the insights outlined in this paper, you can ride the wave to a more agile and prosperous future instead of being pulled under by the current.

Organizations that are able to ride this wave will position themselves to increase engagement with all of their talent, elevate their employer brand, and gain access to a larger talent pool. Additional benefits include reducing vulnerability to shifts in the market by quickly realigning talent strategy, harnessing the diverse and dynamic talent base to accelerate culture change, and thriving during talent shortages.



RUPT is a term developed by CCL to describe the turbulence that organizations and their leaders are challenged with in the new world of work. RUPT is the root of words that are often associated with this turbulence.

For example: *Disrupt, Abrupt, Interrupt.*



Everything is Changing

Talent in the digital era is changing in five overarching ways:

1. How the Work Gets Done.

The work we do on a daily basis is becoming more team-based, project-based, and multi-disciplinary.

2. When and Where the Work Gets Done.

Work is increasingly global and virtual, and can happen at any time and any place. We're also seeing a rise in temporary teams, coming together for a specific goal and then dispersing—sometimes referred to as the “Hollywood model” of teamwork.

3. Who Does the Work.

Projects are more often staffed with a mix of internal and external talent, and increasingly diverse in age and experience.

4. What Does the Work.

Within the next five years, technology could be performing as much as 30% of tasks commonly performed by people in today's workplaces.

5. Tools for Managing the Talent.

Big data, predictive analytics, and the rise of talent platforms, such as Seek and Upwork, put powerful tools in the hands of managers . . . if we know how to use them properly.



How the
work gets
done



When &
where the
work gets
done



Who
does the
work



What
does the
work



Tools for
managing
talent

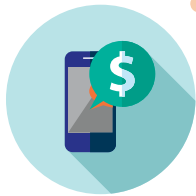
Talent in the Digital Era—Everything's Changing

For the purposes of this white paper,
we will focus primarily on No. 3.

Who does the work?

and

**How your thinking should shift
when it comes to your talent portfolio.**



The Rise of the Gig Economy

The gig economy is already here.

There are nearly 41 million independent workers in the United States alone, according to MBO Partners' latest [State of Independence Report](#). That's more than 30% of the nation's private workforce. A recent report from Randstad predicts that by 2019, up to half of workers in the United States will be working in a contract, temporary, consultant, or freelance capacity. What's more, they predict that by 2025, up to 70% of people could be part of this gig economy.

It's not just the United States, of course. In our interconnected globalized world, the gig economy is a widespread phenomenon that promises to touch every corner of the globe.

Part of this seismic shift is spurred by employers. Randstad found that nearly half of employers express a greater commitment to building and utilizing an agile workforce, which is a 155% increase over the last four years. But the shift is also being driven by employees.

There are plenty of reasons people are opting to become independent workers. According to MBO Partners, a business solutions provider for independent professionals and their clients, more than 75% of independent workers say they are happier working on their own, and almost half of them report feeling more secure than in a traditional employment relationship.

Whether your organization is ready for it or not, studies show that a considerable segment of your employees are likely considering the shift to working independently.

A whopping 56% of people we surveyed expressed interest in eventually working independently. The majority of them hoped to pursue part-time independent work, but almost 40% said they would like to make it a full-time arrangement.

Why? Here are the Top 3 reasons people told us they are interested in freelance work:

1. Pursuing their interests
2. Freedom and independence
3. Flexibility

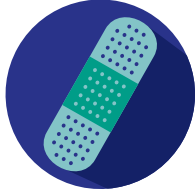
These independents are not the “temp” workers of previous decades. **They can be found for every level of the organization—from unskilled positions to C-suite roles.** The trend has shifted strongly towards individuals pursuing independent careers by choice, not necessity.

The search for greater freedom, flexibility, and fulfillment leads some independents to describe their work as more of a calling than a career. This scenario appeals to an increasingly diverse set of ages and experience levels: Freshly minted graduates bypassing corporate life altogether to establish themselves as solopreneurs, mid-career professionals ready to call their own shots and pursue their passions, and individuals approaching retirement looking to “give something back” with their accumulated wisdom and experience.

And it’s some of the best, brightest, and highest-paid talent that’s trending into this line of work. MBO Partners’ annual survey sees sharp growth in independent workers taking in more than six figures in revenue. A recent IBM study found independent workers to be both highly innovative and more engaged than most full-time employees.

Even if only a fraction of current employees actually make the jump to being independent, most organizations aren’t ready for such a sizeable disruption, especially if it affects their top talent. Yet, most organizations aren’t thinking about how to retain existing employees who are considering independent work, and few are putting any effort into motivating and engaging existing or future freelance workers.

Instead, **most companies are operating in a decades-old paradigm when it comes to talent.** New ways of thinking about—and managing—talent are desperately needed to compete in the digital era. Organizations that can successfully engage and integrate the diverse motivations, skills, and experiences of the growing talent base in the gig economy can tap into more of what it has to offer and gain a talent advantage over their competitors.



Going Beyond the Bandage

If you think about “short-term talent” at all, chances are you think of it as a bandage to address an immediate need. Using independent workers to cover a brief talent gap or when an occasional, specialized skill is required might make sense, but this limited approach can leave a lot on the table. *There’s much more to be gained by taking a longer-term perspective on short-term talent.*

This isn’t an exhaustive list and only touches on some of the possibilities for tapping into this often underutilized source of talent. We encourage you to further imagine—and experiment with—new approaches to getting the most out of your short-term talent.

Here are 5 ways your organization could take a wider view of short-term or independent talent:

- 1. Experts in Residence.** Having a “secret weapon” for strategically important work, or using outside talent to raise a team’s collective capabilities, could be a significant asset to your organization.
- 2. Mentors for Hire.** Consider finding someone who could nurture the skills of less experienced employees to prepare them for bigger responsibilities.
- 3. Brand Ambassadors.** Successful freelancers form strong networks with others in their industry and/or profession, and if one of them has a positive experience with your organization, it could help you tap into a whole pool of people who could dramatically enhance your current capabilities. Of course, the opposite effect can also occur.
- 4. Cultural Catalysts.** Finding someone who can bring an innovative mindset or exemplify a particular set of values might help you make an important cultural shift.
- 5. Transitional Talent.** The Rent-a-CXO concept is trending. An independent worker could be the right move if your organization needs to grow rapidly without derailing or needs to weather an unexpected transition.

This isn’t an exhaustive list and only touches on some of the possibilities for tapping into this often underutilized source of talent. We encourage you to further imagine—and experiment with—new approaches to getting the most out of your short-term talent.

5 Ways Organizations Can Take a Long-Term View of Short-Term Talent

Sure, gig economy workers can fill immediate talent gaps, but there's much to be gained by taking a longer-term perspective. Short-term talent can be:



Experts in Residence

Freelancers could be your secret weapon for strategic work or supplementing a team's capabilities.



Mentors for Hire

Someone may be able to nurture less experienced employees to prepare them for bigger responsibilities.



Brand Ambassadors

Independent contractors often have large networks and can spread the word about your organization.



Cultural Catalysts

Bringing in an innovative mindset or a particular set of values might help make important cultural shifts.



Transitional Talent

Temporary workers could help your organization through rapid growth or unexpected transitions.

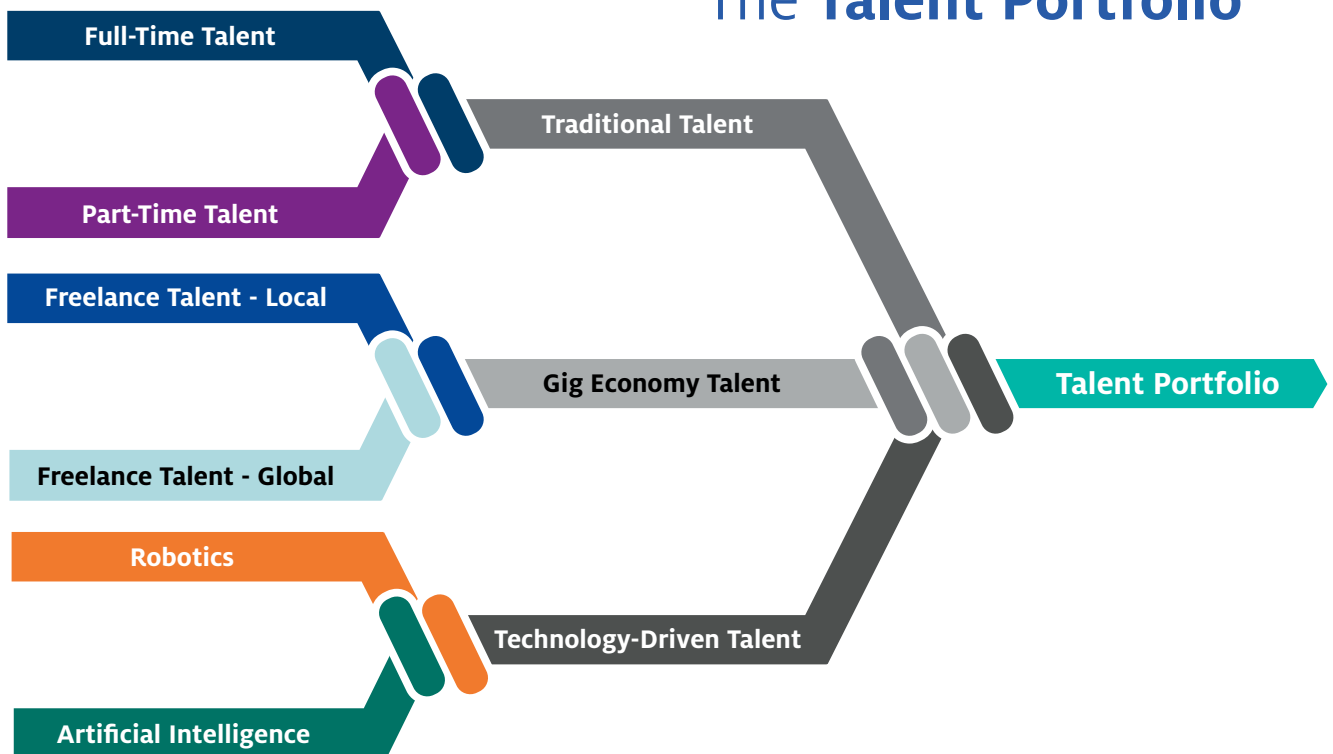


Building and Managing a Talent Portfolio

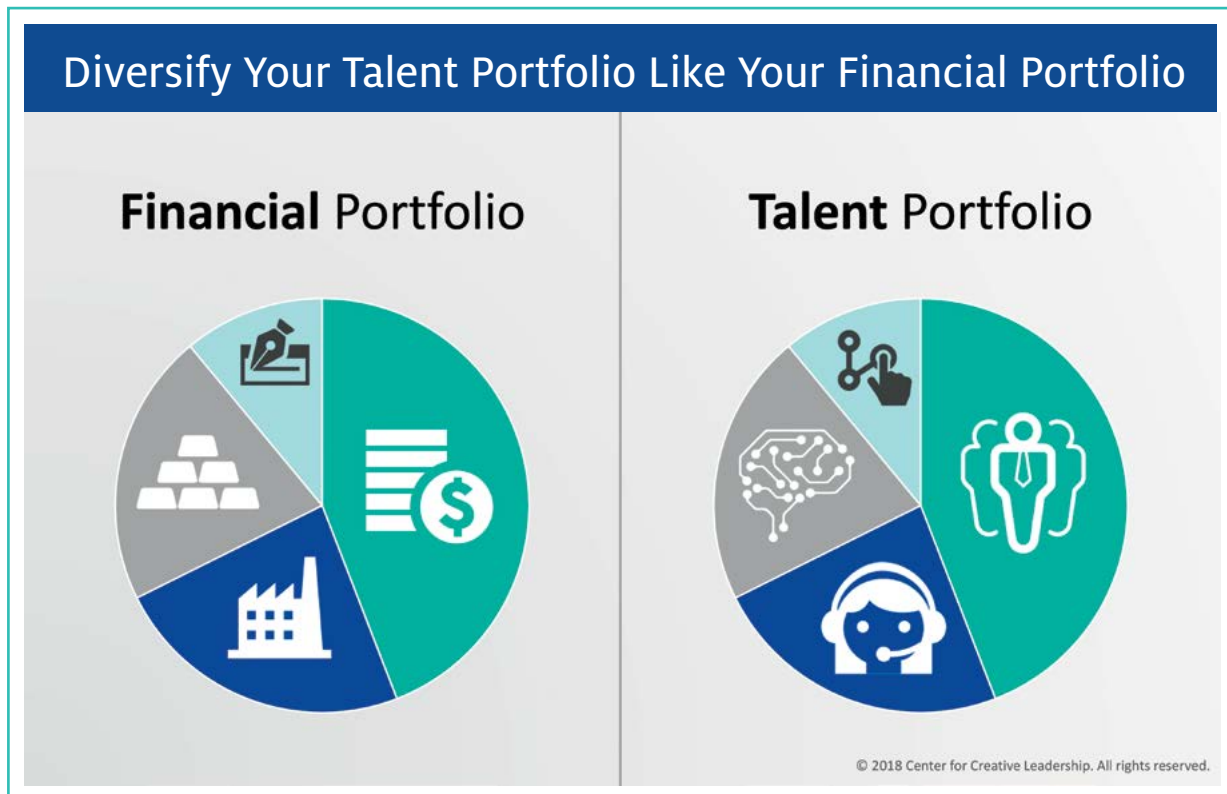
The need for new ways of thinking about talent goes beyond the gig economy. To position your organization and its talent for optimal success in a RUPT world, we recommend that you take a strategic approach that we call Talent Portfolio Agility™. **We define Talent Portfolio Agility as the organizational capability and mindset of accomplishing work through a portfolio of talent enabled by agile talent processes.** This has both a “what” and a “how” component.

For the “what” of Talent Portfolio Agility, we suggest thinking about your overall talent equation as part of a three-pronged portfolio, each with two subsets. The first prong is traditional talent—your current full-time and part-time workforce, which likely makes up the bulk of your existing portfolio. The second prong is gig economy talent, including freelance talent locally and globally. And the third—which should be the subject of another white paper entirely—is technology-driven talent, including robotics and artificial intelligence.

The Talent Portfolio



It's important to ensure your talent portfolio matches your organization's strategic needs rather than perpetuating what might be an outmoded approach out of habit. Just like diversifying your financial portfolio, there are important reasons to consider diversifying your talent portfolio.



Before venturing further, ask yourself the following questions about your talent that you might also ask about your financial investments:

- What are we trying to accomplish?
- What is our risk tolerance?
- What is the right mix of assets?
- How do we anticipate and adjust to changes in the market?
- How do we measure our performance, and the performance of our various talent?

As you figure out what works best for your organization, also consider questions such as:

- What are the technical and legal issues we should consider?
- What cultural and structural issues might affect our approach?
- Are there issues/opportunities unique to our industry to take into account?

Figuring out the right mix for your organization will take effort, and time. But by carefully considering the questions we've outlined, thinking about how to better engage current employees and independent workers, and exploring how to integrate human talent with technology-driven talent, you can create the needed change in your talent portfolio.

These shifts might sound intimidating, or even overwhelming. In order to succeed, you'll need to also consider the "how" of Talent Portfolio Agility. Specifically, **investing in 5 core capabilities associated with organizational agility** will enable your organization to nimbly adapt and adjust to these new realities.

As an individual and an organization, ask yourself how well you

- anticipate change
- generate confidence
- initiate action
- liberate thinking
- evaluate results



Based on The Agile Model® from Agility Consulting

Identify the biggest gaps between where you are and where you need to be. Ask yourself which elements you should prioritize, and figure out what makes sense to tackle first. Our Talent Portfolio Agility Index™ can provide you with an initial assessment of your organization's baseline measurements in each area of capability. A deeper audit of these capabilities can pinpoint specific areas for intervention and the systems, tools, and processes required for sustainable change in your organization's talent strategy and practices.

If you're feeling stuck and worry that your organization might be locked in the past or could fall behind the inevitable workforce changes, consider using Talent Portfolio Agility as a mindset and an approach for bringing your organization into the future you want.



Conclusion

The world of work is changing, whether we like it or not. Faced with a variety of factors, including technology, organizations seeking a competitive edge, and employees pursuing a more independent path, we're destined for a more complicated and complex future. Most organizations aren't doing enough to adjust. Instead, they're not fully grasping the massive shifts already underway and are functioning in a state of complacency or are paralyzed with inaction by the immensity of change they see coming.

The window of opportunity is closing quickly. That means if your organization can figure out the right mix of talent, align the processes or policies to reinforce a Talent Portfolio Agility mindset, and then manage that talent in an agile manner, you'll likely gain a competitive advantage.

By understanding the gig economy and thinking about how to best attract, engage, and retain short-term talent, you can take a long-term view of your talent portfolio and break away from old, outdated modes of doing things. Creating a more agile and adaptive workforce doesn't have to mean a dramatic organizational restructure. It will take time, and will vary by industry, location, organization, and function. But it can be done.

Start by exploring some of the questions we've raised in this white paper. Share them with your colleagues, and consider the appropriate near- and long-term approaches that need to be taken. Understand the motivations of current and future independent workers, evaluate how you can work better and more wisely with them, and think about how you can integrate a longer-term perspective with multiple types of short-term talent, including technology-driven talent.

Achieving Talent Portfolio Agility might take a while, and the road may be challenging, yet the alternative—sticking your head in the sand—is hardly a prudent proposition. Consider this a tremendous opportunity instead of a potential threat, and you're bound to come out on top.



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About the Authors

George Hallenbeck, PhD, is director of Commercialization at the Center for Creative Leadership (CCL®), where he leads an innovation platform called “All-Access Leadership,” focused on enhancing, re-imagining, and creating product offerings that empower and enable clients to deliver and experience CCL’s intellectual property in ways that match their needs and strategies. Hallenbeck earned a BA in Psychology from Colby College and an MS and PhD in Industrial-Organizational Psychology from Colorado State University. He has authored or coauthored eight books including *Learning Agility: Unlock the Lessons of Experience* and *Compass: Your Guide for Leadership Development and Coaching*. He has written numerous white papers and journal articles, as well as pieces for publications such as *BusinessWeek* Online and *Chief Learning Officer* magazine. George regularly participates in other thought leadership efforts including speaking engagements, webcasts, and blogging.

Nicholas Horney, PhD, founded Agility Consulting and Training in 2001, and has been recognized for innovation in organizational and leadership agility, including the global standard for organizational agility—the AGILE Model®. He is often quoted in organizational transformation journals such as *People & Strategy* and *CIO magazine*, in books such as Rothwell, et. al’s *Human Resource Transformation*, and by professional associations such as the American Management Association, Project Management Institute (PMI), and IBN International. Prior to forming Agility Consulting, Nicholas served on CCL’s executive leadership team as vice president of Client and Constituency Relations. His coaching, leadership development, and organizational agility management consulting experience spans more than 30 years and includes the start-up and management of the Coopers & Lybrand (now PricewaterhouseCoopers) Change Management Practice. Representative clients include Turner Broadcasting, the Coca-Cola company, the Navy SEALs, Hanesbrands, Lenovo, the CIA, Aramark Corporation, REI, Celanese Corporation, United Launch Alliance (ULA), and RR DONNELLEY. Nicholas has written or contributed to the following books: *Focused, Fast and Flexible: Creating Agility Advantage in a VUCA World*; *Managing Change in Organizations*; and *Project Change Management*.

Stephen Bateman is a senior project manager in CCL’s Commercialization & Innovation group. He manages the design, development, delivery, and evaluation of projects in the “All-Access Leadership” platform. Stephen, who holds a BS in technology education from NC State University, is responsible for the day-to-day management of projects through all stages of the product development process, and serves as a core member of the product design team. Stephen previously worked with Skyline Exhibits and Events, where he project managed the design, construction, transportation, setup, and storage of client exhibits. He serves as the liaison for partnership with a touch-screen application development firm and led the development and implementation of the company’s project management practices.

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+1 800 780 1031 +1 336 545 2810 info@ccl.org



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Americas
www.ccl.org

Greensboro, North Carolina

+1 336 545 2810
info@ccl.org

Colorado Springs, Colorado

San Diego, California

Europe, Middle East, Africa
www.ccl.org/emea

Brussels, Belgium

+32 (0) 2 679 09 10
ccl.emea@ccl.org

Addis Ababa, Ethiopia

ccl.ethiopia@ccl.org

Berlin, Germany

ccl.dach@ccl.org

Johannesburg, South Africa

southafrica.office@ccl.org

London, United Kingdom

ccl.uk@ccl.org

Moscow, Russia

ccl.cis@ccl.org

Asia Pacific
www.ccl.org/apac

Singapore

+65 6854 6000
ccl.apac@ccl.org

Gurgaon, India

cclindia@ccl.org

Shanghai, China

ccl.china@ccl.org

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