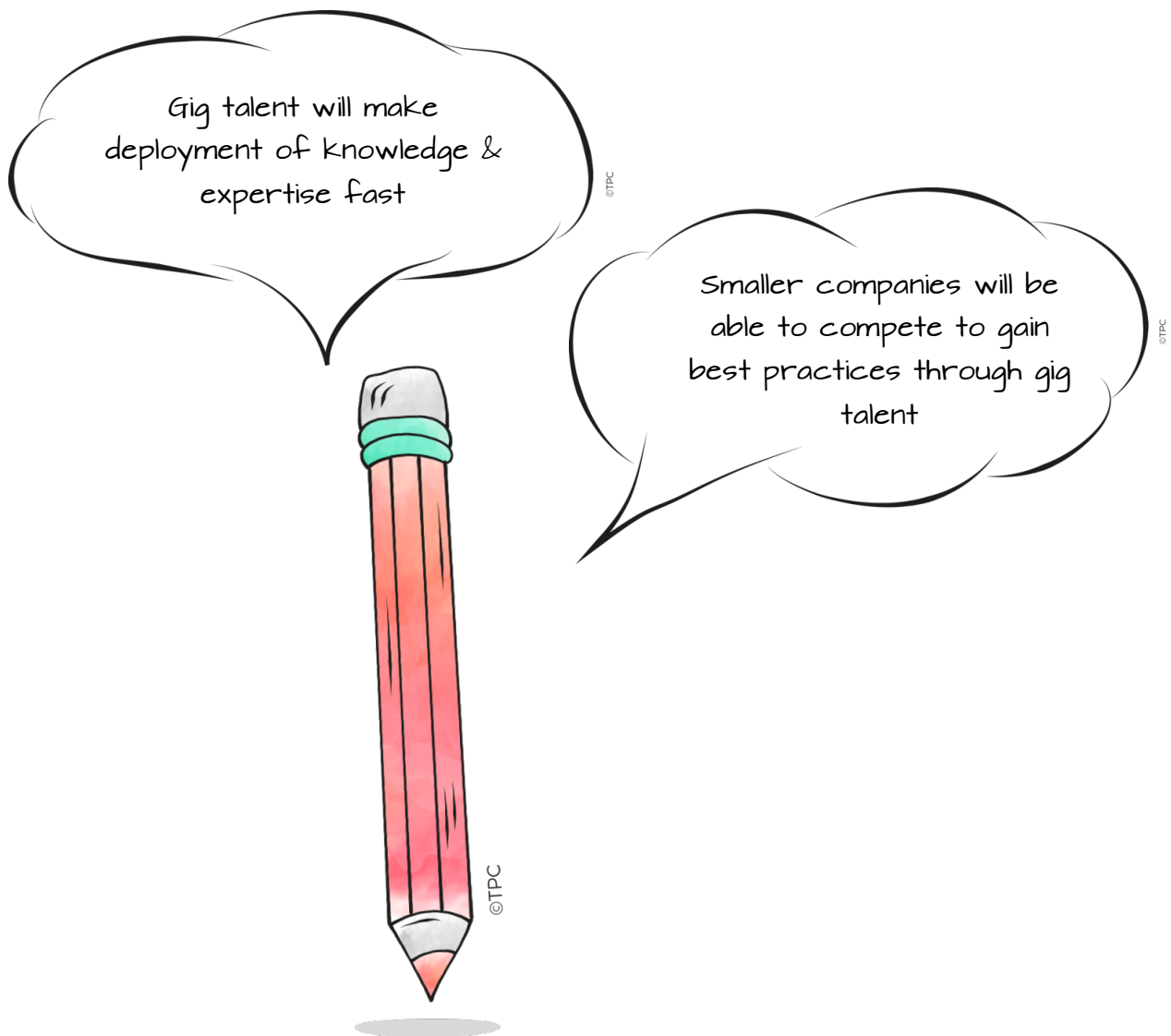


Gig it up

Where & how to integrate gig talent into workforce planning



Hari Abburi and Wolfgang Doerfler

Gig workforce is the third element of the future of workforce planning. The other two are Full Time Employees (FTEs) and automation (AI & Robotics). Some public estimates place the amount of the workforce involved in contingent work as high as 40%. Another recent study cites 20%–30% of the working-age population in the United States and the EU (as many as 162 million individuals) as engaging in contingent work¹.

The gig economy refers to the “uberization” of the workforce, or the increase in the percentage of the workforce participating in contingent work. Contingent workers include²: Any employee paid by task or by project and considered to be in a temporary relationship with your organization, which could range from on-demand workers who perform a single-day job to long-term contractors even up to the senior executives brought in to manage a company transformation.

Being a gig talent is a serious career choice as described on Bloomberg by Jody Greenstone Miller, CEO at Business Talent Group, “A permanent choice to be a temporary worker.” Our focus is on how can we help Companies get started to strategically plan and integrate gig workers into their strategic workforce plans?

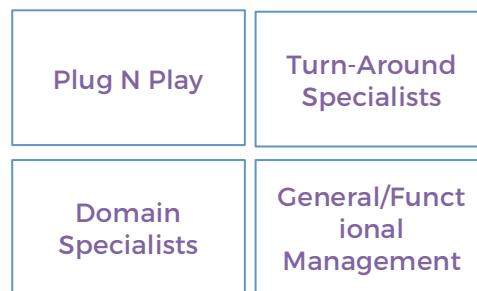
While we know the time for the idea of gig talent is here, **we see three big challenges** that need to be addressed in the process of embracing the gig economy:

- a. The conventional Strategic Workforce Planning (SWP) methodologies are based on Full Time Employees (FTEs) productivity gain assumptions and basic metrics such as revenue per headcount, sales generating headcount ratios or cost per headcount. These will undergo a significant change. It is one area where HR Functions struggled to demonstrate either relevance or real results of current approaches. So why would they be now willing to do an in-depth redesign that leads to more complexity with elements of AI, Robotics and Gig workers? Or is there a different way?.
- b. How to find the right person at the right time?. While identifying the need types brings about clarity for resourcing, the issue still remains how to connect with the gig talent that operates in a fragmented or unorganized market.
- c. Organizations are designed to have ‘stability of talent’. They usually don’t consider the temporary or contingent workforce as a critical component of customer value or playing an equal part of shaping culture. In the future there will be an equal focus between core traditional full time talent and strategically planned contingent workforce.

In our view, there are three steps to start with:

1. Identify and organize your needs for Gig Talent
2. Start simple and scale up with an inventory process
3. Revisit and re-evaluate your talent assumptions

First, understand the 'need' for gig talent across the organization, functions and levels. In our experience, there are four typical types of needs:



- a. **Plug'n'play:** the most common today where there is need for someone to hold the fort or fill the gap or vacancy temporarily, this is mostly reactive
- b. **Turn-around specialists:** These are typically in response to a crisis – for example an break-down in processes or operations, or when the whole company is at stake or specialist resources in cases of plant shut down or market or product closures
- c. **Domain Specialists:** this is where specific specialization is needed to solve a problem or deliver a project or contribute to a high growth business. This has contours of a specific deliverable etc. This is not necessarily determined by time. Book editing, graphic designer, quality assessor employee benefit programs designer etc
- d. **General Management/Functional Management:** These are experienced professionals who have the depth and gravitas to step into interim roles heading functions or business verticals either at CEO -1 or CEO -2 levels that bring in both strategy and implementation expertise in case of M&As, transformations, hive-off's etc.

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In the experience of EIM with its Europe clients across industries and countries, it is evident that 5% of the needs are in the Plug'n'play gigs followed by 30% Turn-around assignments and 65% for Specialists and General Management. In Europe, we see a faster proliferation of this into companies in flexible labour regulation countries like Netherlands and UK. In countries like France, the adoption is slower due to the labour regulations.

Second, start simple and scale up. While there is no doubt that that SWP needs an overhaul, it is better to simple and scale up on the gig workforce integration:

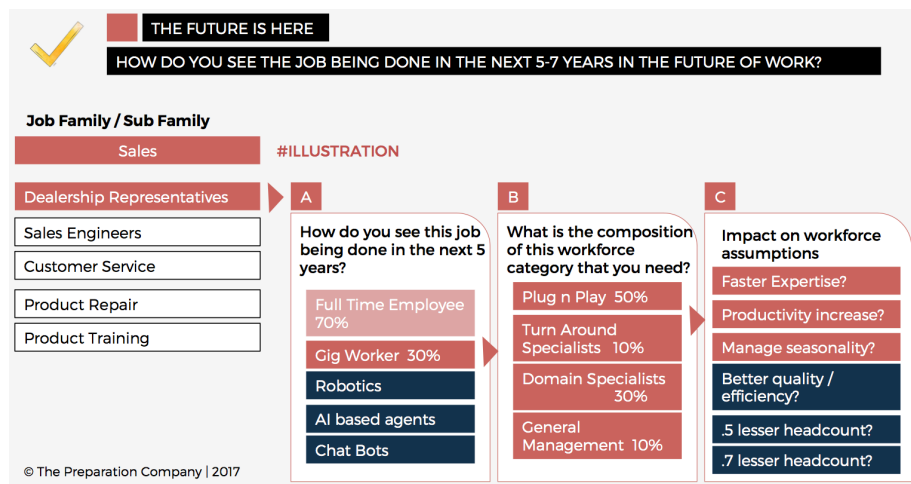


- a. Start with an **inventory** of what exists. It is common practice for managers to budget for projects and then convert them into temporary headcount or internships. This is done to satisfy the narrow-focused finance teams that chase down headcount costs. Create a simple format that captures the entire contingent workforce the company is using currently. This must be on the lines of four types of needs, hours, cost etc. And now you have an estimate of your existing gig workforce and cost.
- b. Set some **key measures** for deployment of gig workforce in the short-term and long-term. Analyze the gig workforce to identify patterns. Gigs by country, by function, by job family, by seasonality, by cost etc. This will enable companies to set up operating metrics like percentage of gig workers cost as a percentage of full time employee cost or strategic measures as % of gig workers cost in a season as a percentage of seasonal revenue. This will be experimentation for the first three years till there is sufficient data to make long-term decisions
- c. After the initial inventory assessment process re-evaluate the approach, template, methodology etc and refine it. **Integrate** it into the regular workforce planning process. This will result in significant changes to the overall workforce planning process and therefore needs to be done ideally after using the gig inventory process as a pilot.
- d. After the inventory pilot, analytics and integration into the regular process, it is then time to **get strategic**; are there existing full time jobs that can be converted into gigs? It is best this aspect is at the later part of adaptation as it enables better change management. Else the adaptation gig talent could be stalled with managers citing reasons of intellectual property or confidentiality etc

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Establishing key measures to understand the benefits of gig workforce is essential to address the associates risks and guide managers to think differently

Strategic Workforce Planning will experience significant disruption. Desired business scenarios, their probabilities and speed to achieve the scenarios are still needed. But the new normal will be to ask this key question: Are the jobs or skill sets better delivered through one of these elements – AI, Robotics, FTE Talent or Gig Talent or augmented talent (mix of human and AI)? The key strategic advantage is to build flexibility in workforce that so far was not possible to be able to rapidly try new business models or fail quickly to learn from.



Third: Re-evaluate your existing assumptions on business fit, people management, processes and culture with regard to gig talent

- Make gig talent a strategic fit as size becomes irrelevant in the talent landscape. Start-up and mid sized companies are competing on talent with big brands as they now have access to high quality or experienced talent that bring best practices which so far have been privilege of top blue-chip companies.
- We believe that the gig economy makes talent truly global and diverse, more than any organized employment has done so far. With gig talent being able to work digitally from anywhere, you could potentially have talent as part of productive workforce to a country but not being physically located there.
- How you hire, train and retrain the gig workforce will be as important as your FTEs. How would you design the hiring or performance or reward systems? Would you have the same principle for both segments of workforce? If not why? How would you communicate the value of your organization to the gig market?
- Regulations and practices will change, even if slowly. Cost assumptions and practices will change. Even with issues of inter-company transfer pricing or regulatory requirements around social security or benefits, we see companies more willing to design methods around gig talent as it creates a flexibility that was difficult to achieve and maintain with the FTE workforce.
- Gig workforce will be mind-set challenge to managers in the company as issues around intellectual property, data privacy, confidentiality, non-compete need to be addressed. This is an area much better managed if companies work with strategic partnerships with interim management companies to begin with.

- f. There are commonalities or diffusion of areas of work that will occur in the adaptation of the gig workforce in a company. For example, gig workers could displace consulting services, as a company may prefer to work with an experienced professional to drive implementation focus than a large consulting company. However this will also be based on how well the company can manage a gig workforce and hence this represents a value-adding opportunity for HR by starting to deploy work force planning holistically.

Companies that start early will not only stabilize themselves in the disruption caused by gig workforce but also set industry standards. This is a workforce shift that is here but in a phase where companies are trying to understand how to implement this into their business models.

About the authors

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Hari is a global HR executive with expertise and experience in complex organizational change involving M&As/Integrations, Restructuring and Start-Ups.

He has been in leadership roles at regional and global level. His work, approaches, design thinking and solutions are often described as creative, innovative, unconventional and are anchored by simplicity.

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Wolfgang has in-depth global experience in management experience in the key functions of business (Finance, Sales, General Management and HR people development), with Consulting and Change Management.

He has lived and worked in 4 different countries with management experience of 12 years outside his home country. He brings a strong multi-cultural aspect to his management thinking.

As a Partner at EIM, he works with businesses in execution of strategic initiatives like Transformation, Change, Digital Transformation, Restructuring and Turnaround to deliver quick and lasting results through deploying top-level Interim Managers.

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2. Becca Brown, Managing the Gig Economy, CEB HRBP Quarterly Q1