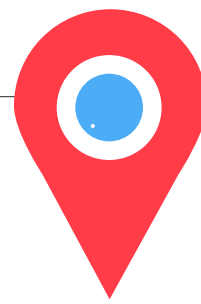


The A3 Work Revolution



Anytime

talent alpha

Trends
Solutions
Tools
October 2021

The Future
of Work Report 2021



Anywhere



Anyplace

A3

Remote Models / Agile Working / The Human Cloud

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Welcome to the A3 World



Przemek Berendt,
CEO Talent Alpha

The word “Revolution” is overused, but the changes in the world of work driven by the global pandemic are worthy of the name. In a little over a year, things that looked impossible have become the default way of doing things. People are hired totally remotely. They work from home all or most of the time. And they move on to other jobs without ever meeting their co-workers in the flesh. People are now working Anytime - whenever it suits their schedule; Anyplace - in a variety of employment relationships; and Anywhere - in locations around the globe, regardless of where the employer is based. “Anytime Anyplace, Anywhere” and the abbreviation A3 have started to be used in the industry as well as on chats and in social media, so we decided to use it in our report.

Like all revolutions, this world of A3 work opens up tremendous opportunities: your company can now engage talent from anywhere in the world. A3 poses an existential threat to companies that aren't prepared: as the global talent gap widens, you have to be ready to compete with every other company in the world - the

wealthiest, the smartest and the fastest. If you're only now developing a strategy to source and manage talent outside the framework of full-time employees who come to your office every day, you're behind the curve.

This report will help you get ahead. First, we describe the new landscape of work: the reality of Anytime, Anyplace and Anywhere working, and how you and your company can respond. Next, we take a look at the global talent gap - particularly in tech, where it's no longer a gap - it's more of a Black Hole, which sucks in unimaginable amounts of resources but is never full. We then look at the meaning of Open Talent. Both employees and employers have been freed from the structures of full-time, stationary contracts. Finally, we provide concrete strategies for how your company can thrive in the new reality.

For the unprepared, any revolution is a scary thing - and the A3 Revolution is no different. But for those with the foresight and the tools to capitalize on the new reality, this revolution can be an opportunity for tremendous gains.

Anytime

Flexible working time models, agile frameworks, time zones

Anyplace

Any place of work - within my Company as an employee, B2B, outsourcer, independent consultant, freelancer, alumni

Anywhere

Office/Home/Hybrid, Work from Anywhere. Providing services from anywhere



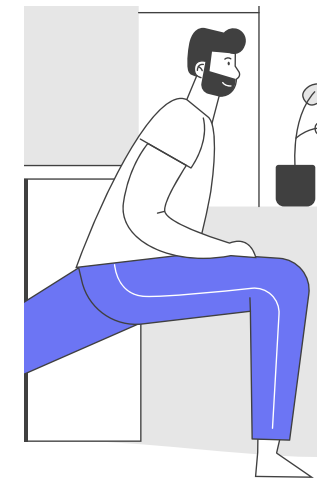
1

THE A3 REVOLUTION
- a super acceleration of trends in the world of work after Covid



2

THE CONSTANT TALENT SHORTAGE AS THE NEW NORMAL
- the most recent stats and facts about the talent gap



3

OPEN TALENT
- employee liberation. Open talent transformation. Gig economy and the global flow of talent



4

ADAPT OR DIE
- how to prepare your organization for the A3 reality

Expert view

Michael Tushman Professor of Business Administration, Harvard Business School

By driving changes in how work is done, the A3 Revolution is changing the very identity of individuals and companies. These are long-term trends, and all of us need to adapt to them. Work is being atomized, broken down into smaller pieces and distributed among people around the globe - and this change is now reaching specialized, inte-

grated and costly types of work such as high-end consultancy. The whole notion of a company is being turned upside down: rather than an organization composed of permanent employees, it's now a place where work from a vast variety of sources is assembled, integrated and presented to the client. Big organizations in all kinds of industries are struggling to find their identity in this new reality.



The ones that will succeed are those capable of redefining their purpose, exploring as well as executing their core, as well as discovering and implementing new tools for getting work done. This change can only succeed if it proceeds, through a process of ideation, incubation, and eventually going to scale. These dynamics are executed through both incremental as well as punctuated change.

Talent Alpha

Talent Alpha - Talent Intelligence & Marketplace platform providing tech talent on demand from 650+ IT services providers.

THIS REPORT WAS CREATED THANKS TO THE COMBINED WORK OF GREAT EXPERTS AND ORGANIZATIONS

Strategic partners



EPAM Systems - Since 1993, EPAM Systems, Inc. (NYSE: EPAM) has leveraged its software engineering expertise to become a leading global product development, digital platform engineering, and top digital and product design agency.



The Everest Group - a global research firm focused exclusively on IT, business processes, and engineering services.



Global Sourcing Association (GSA) - the industry association and professional body for strategic sourcing.



Global Technology & Business Services Council (GT&BSC) - the organization's mission is to globally collaborate, promote and represent the industry.



Open Assembly - the world's leading learning resource and consulting marketplace for the future of work and open talent economy.



Sourcing Change - helps leading global business and shared services design, counsel, source and connect talent to deliver transformative change.



Stratigens - the only labor market analytics platform that combines talent intelligence, business intelligence and workforce planning.



TOLSON Consulting - a management consulting firm with five areas of expertise: Procurement, Operations, Sustainability, Business Transformation and Benchmarking Communities.

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ShoShinWorks - Leading global authorities in workforce ecosystem strategy, management, and intelligence.



Platform Strategy Institute - Global authorities in platform strategy, advancing the theory and practice of platform business models.



Recruiting Brainfood - 'It's recruiting brainfood for the week ahead'.



Pro Progressio - an organization associating the business community providing B2B services, the BSS sector media publisher and an organizer of a number of initiatives supporting the sector of modern business services.



FOCUS ON Business - an internet platform focused on news, events, companies and individual experts representing the modern business services sector.



Economic Accelerator is a program that seeks to develop platforms that link small and medium-sized companies with established corporations, top officials, experts, academia and the media.

Besides big thanks to all partners, Talent Alpha would like to extend a sincere thank-you to all our supporters, experts, speakers, friends and everyone who contributed to the creation of this report with direct help or inspiration. Particular thanks go to: Adrian Košnik, Alex Her, Amit Sharma, Antonio Lopac, Brian Wallins, Carlos Rubal, Dash Desai, Dimple Khubchandani, Dominika Zaremba, Filip Batov, Jakub Porebski, James Currier, Jana Stanikova, Kamila Rosiak, Kelly Lyons, Mariette Kouwenberg-Mooney, Natalia Rex, Paweł Kozłowski, Paweł Pełtak, Sebastian Drzewiecki, Tymoteusz Bajor, Uthra Krishnagopalan, Vlad Samsinovs, Wiktor Doktor, Wojciech Wasilewicz, Wojtek Ptak

WEBINAR

The Human Cloud: Your Secret Weapon in the War for Tech Talent

Is your business experiencing a shortage of tech talent? The Human Cloud could be the solution



Join our Webinar on November 18th

- The tech talent gap – hard data, facts, trends.
- Advantages and challenges of implementing the Human Cloud
- The Human Cloud in practice: case studies and real stories

Our speakers:



Barry Mathews

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Przemek Berendt

CEO, Talent Alpha - the first platform connecting tech organizations in the cloud. The ecosystem of 600+ companies with the talent pool of 25,000+ IT specialists available on demand.

Thursday, November 18th
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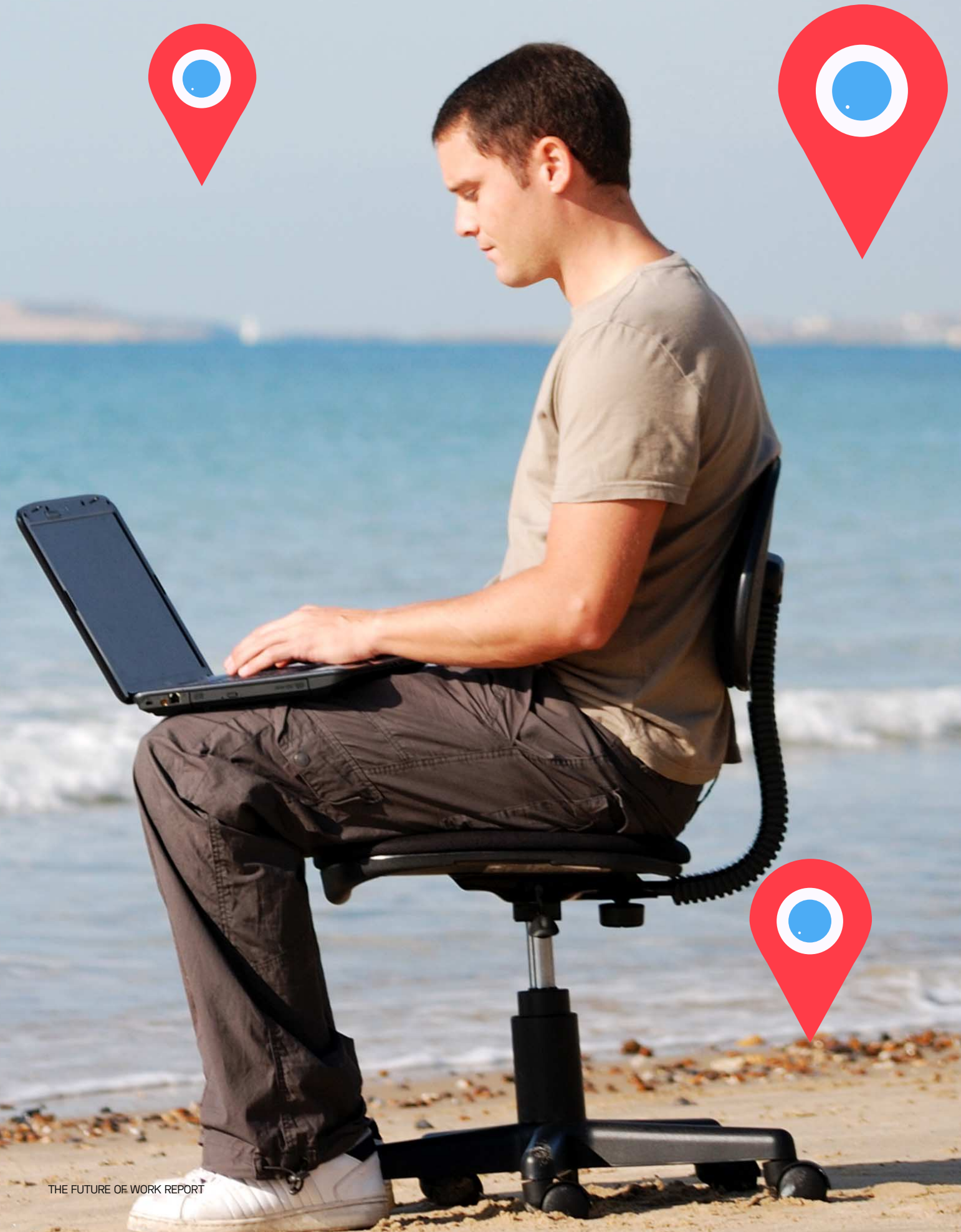
Sign-up now

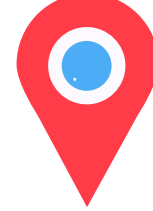
The term “digital nomad” has been around since at least 1997, but it took a global pandemic to truly usher in the A3 Revolution: flexible working hours (Anytime); multiple forms of employment, from full-time through freelance to outsourcing (Anyplace); and work from anywhere on the planet (Anywhere).

We’ll explore how these trends are accelerating in the wake of the world of lockdowns – and also look at some of the limits the revolution is already bumping up against. “**Anytime, Anyplace, Anywhere**” started out as a slogan for the iconic vermouth brand Martini in the 1970s. Since then the catchphrase has migrated to business, with talk of “Martini managers,” “Martini marketing,” “Martini banking” and more. Today its most obvious application in the business world is in relation to how people work. While remote work (Anywhere) seems to have captured the most public attention, the other two trends are equally important for managers to grapple with – and indeed, all three of them feed on and reinforce one another.

The A3 Revolution - a super acceleration of trends

1





● **Working from home is not an extra incentive from a good employer anymore. It's become the new normal, and people expect companies to adjust.**
Head of Technical Recruitment, Canada

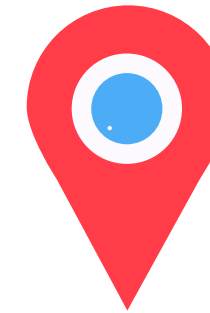
● **One of the challenges connected with people not sitting in the office together is how to train juniors. They simply have nobody to ask about small things and learn from.**
Employer Branding Expert, Bulgaria

● **People want to be treated with respect and transparency now. They want to be precisely informed what problem they will help the company to solve, what exactly will be expected, what the project is about and how much they will earn. They also want to shape their own career path - especially Gen Z.**
Candidate Support Advisor, Spain

● **Remote work has changed the way people collaborate. But it didn't impact productivity. It has broken silos. It also has made people more hands-on as you can quickly check their results.**
Global Head of Talent Acquisition, Germany

● **As specialists can work from anywhere now, e.g. from Poland directly for companies in Germany or the U.S., their salary expectations are growing. We need to urgently revise our compensation ranges to attract good candidates.**
Head of Talent Attraction Team, Poland

● **Working anytime and remotely has proved to support diversity. Young parents - especially women - or disabled people can now be better integrated into organizations.**
Recruitment Advisor, Poland



ANY TIME

The pandemic didn't just shut people out of their offices. It also forced them to juggle a range of new responsibilities, chief among them care for children who were no longer attending school, and looking after loved ones who were struck by the virus. The inevitable response was a rapid acceleration in the trend of Anytime working: flexible hours that allowed people to do work when it fit into the rest of their lives, not necessarily when their colleagues were on the clock.

It's crucial to distinguish Anytime work from "always-on" work. At the start of the pandemic, people working from home found it difficult to know when to stop working, and employers communicated with them at all hours, extending the working day. But companies quickly recognized the long-term negative effects on employee well-being. Microsoft's 2021 Work Trend Index found that 54% of employees felt overworked, and 39% felt exhausted. Gallup found that 43% of workers experienced daily stress, and 41% reported worry.

In response, companies are implementing measures to limit working time and avoid burnout. Policies include rules discouraging e-mails outside working hours and on weekends; "self-care days" when employees are encouraged to turn off; and scheduling practices that encourage shorter meetings and breaks between meetings. Volkswagen has had a policy since 2012 that blocks certain employees from accessing work e-mails after hours.

In addition to policies at individual companies and those negotiated by unions, regulators are also responding, ramping up efforts that began before the pandemic. Ireland implemented a "right to disconnect" in 2021 (after France led the way in 2017). Such legislation looks likely to spread: lawmakers in the European Parliament are pushing for a similar policy across the European Union, as are legislators in Canada and certain U.S. jurisdictions.

75%

of employees want to maintain flexible hours after the pandemic

www.weforum.org

43%

of workers say flexible hours help them increase productivity

www.gartner.com

55%

of workers at firms with flexible hours are high performers, against 36% at other companies

www.gartner.com

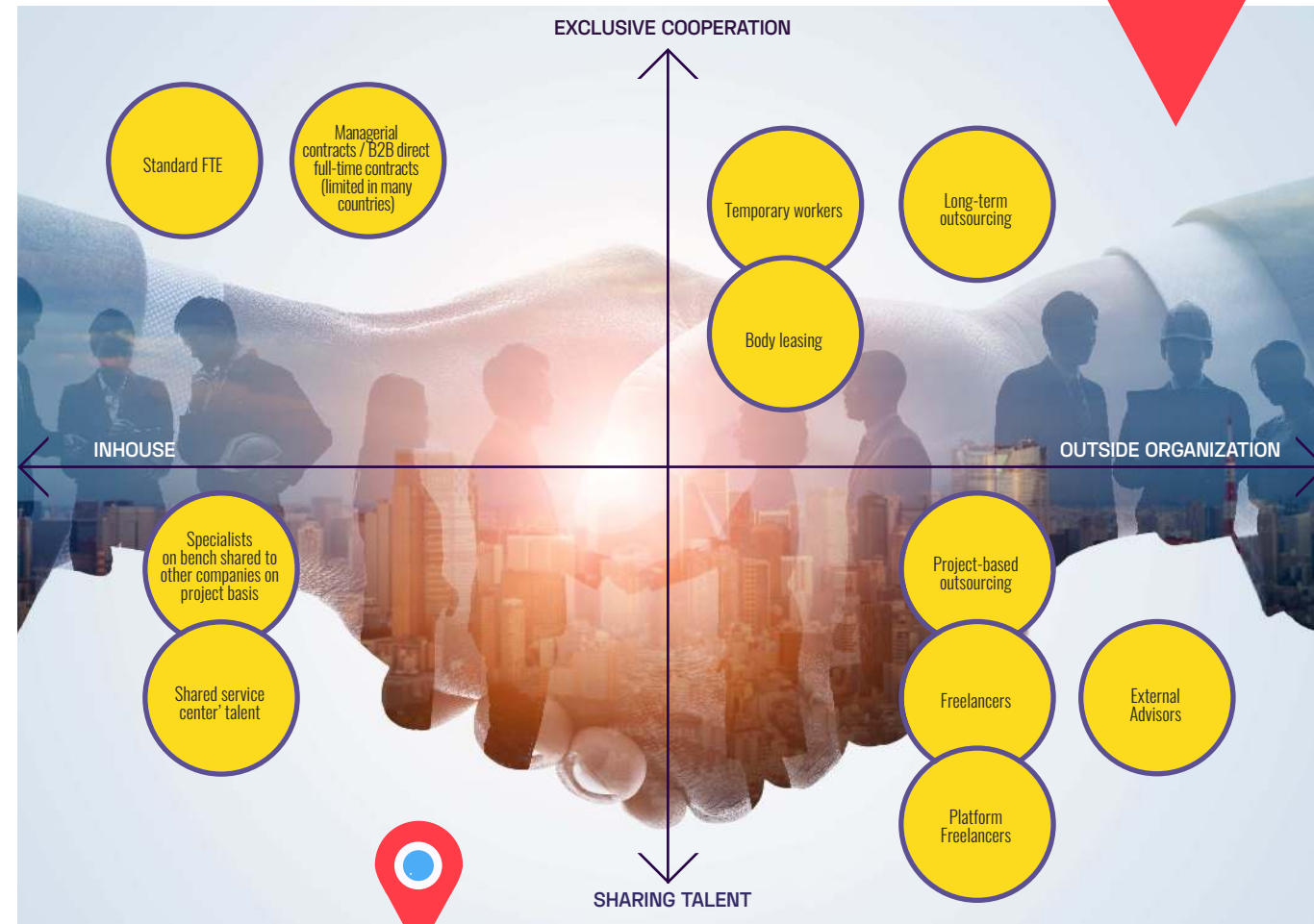
84%

of working parents consider work flexibility the most important factor in a job

www.aihr.com



FORMS OF COLLABORATION BETWEEN COMPANIES AND SPECIALISTS IN THE HUMAN CLOUD



ANY PLACE

As Covid prompts companies to rethink where work is done, they're also reimagining the legal structures by which they acquire talent. A wide range of forms of work, including freelancing, outsourcing and consulting (see above), offer various benefits over full-time work contracts, including flexibility, innovation and cost savings. Work is also fragmenting: because jobs can now be divided into distinct pieces, engaging a network of people to execute a major task is now a reality. In addition, a growing global shortage of talent (see Chapter 2) means some companies are struggling to fill full-time roles. For these reasons and more, companies are turning to the Human Cloud. This is a global source of capabilities that can be engaged via flexible forms of work, based on platforms that match demand for labor with supply from freelancers, consultants, agencies and

other types of workers. Companies can blend these forms of engagement with their own inhouse talent. For companies, Human Cloud solutions deliver greater flexibility, cost advantages, innovation and external expertise. For workers, they bring freedom in choosing what tasks they perform, for whom, and when. Many of the people with the best skills are choosing not to be tied to a single project or employer, and the competition for their services means companies have to respond. In an example of how the three A's are interlinked, another driver of the shift to Anyplace is people's desire to work Anywhere: a survey of 4,000 professionals in the U.S. by freelancing platform Upwork found that 20% were considering freelance work, largely because it offers more flexibility in where the work is performed. The explosion of new ways for businesses to connect with talent makes it more important than ever for companies to have digital systems in place to manage their use of talent. That's why they're implementing internal and external marketplace platforms to analyze skills available to them from different sources, compare, and match capabilities and availability to the job to be done.

Expert view

Kerry Hallard
CEO of the Global Sourcing Association (GSA) and Chairperson at Global Technology & Business Services Council (GT&BSC)

The global business services sector has experienced a tremendous boom in response to the pandemic, as companies realize how much work can be done Anywhere. But is there still a role for the in-

dustry in an Anyplace world, where companies can directly hire top talent from all over the globe? I believe there is, for at least two reasons. First, external service providers give a guarantee that the work will get done. Second, they understand the tax and legal requirements in every jurisdiction where they're working; that kind of



specialist knowledge is worth paying for. In an Anyplace world, companies can indeed hire individual talent directly. But the challenge isn't to go out and find all of the top people on your own. Instead, the goal is to find the right mix of inputs. That means that alongside direct talent acquisition, service providers will still have a key role to play.

The Counter-Revolution: Nearshoring

As the A3 Revolution advances, some companies are bumping up against a hard reality of Anywhere working: the world is still round, and time zones and culture still matter. While the tech industry has gotten better at managing teams scattered across the globe, there are limits to this form of collaboration, particularly in a crisis. And while tech operates in English, other functions require knowledge of local

languages, and cultural differences can limit workers' ability to design products for people in a different country. In response, "nearshoring" offers services to developed markets in similar time zones, including Latin America and the Caribbean for the U.S.; Central Europe for Western Europe; and Southeast Asia for countries to the north. Among the leading counter-revolutionaries is Colombia, where IT workers are being offered pay increases of 50% of more when switching jobs, according to a report from the second quarter of 2021.

Expert view

Wiktor Doktor
CEO, Pro Progressio

Why nearshoring? That's a question many companies have been asking lately, and there are two main answers. First, on every continent, there are already countries which specialize in BPO/IT/R&D/GBS processes. Second, neighboring locations usually have the same business culture and use similar lan-

guages. And third, the pandemic has shown the importance of business continuity, closeness to all business lines, communication and time to get business remote. Nearshoring offers all of these benefits, for both manufacturers and service providers. The nearshoring trend is becoming more and more popular especially in Europe, where UK- and



Scandinavia-based companies are increasingly using service providers based in Central and Eastern Europe. It's also noteworthy that in 2021, BPO providers from India have been in the process of growing their presence in Europe. On this continent in particular, it seems that nearshoring will continue to develop dynamically for quite some time.

ANYWHERE

In addition to driving Anytime work, the pandemic has also accelerated the trend of Anywhere, by providing tangible proof that contrary to many managers' fears, many jobs can in fact be done remotely. A two-year study of more than 800,000 employees at Fortune 500 companies found that a majority reported stable or increased productivity when working from home. Surveys from Bloomberg, EY, Robert Half, Upwork and the World Economic Forum have found that at least 17% of workers, and possibly as many as 54%, would consider quitting if forced to return to the office.

As the global war for talent intensifies (see Chapter 2), most companies will have no choice but to bow to their wishes. A list of companies switching to remote-first work includes Shopify, Fujitsu and insurer Nationwide; companies allowing employees to choose remote work if it suits them

include Facebook, Spotify and Twitter. Hybrid forms of work are emerging, and for many employees the amount of time they spend in the office will fluctuate over time, as they work on various projects, change roles and advance in their careers. One year on, it's clear that the role of the office has fundamentally changed, from being the main location where work was conducted, to serving as a command and training center: For many companies, white-collar workers could be anywhere in the country; for many, they could be anywhere around the globe.

Adapting to the Anywhere Culture

Many companies struggle to keep their company culture vital in a remote environment. In a PwC study, 68% of HR executives said employees should be in the office at least three days a week for their company culture to survive. However, many companies will not have this comfort. The natural answer is that they'll need to change their culture. Here are 7 areas they should take into account:

1. **Feeling of purpose and belonging:** A feeling of belonging in the workplace can lead to as much as a 56% increase in job performance. How can companies foster it without physical connection? According to a Deloitte study, a feeling of belonging is most dependent on whether people feel aligned with the company's purpose, mission and values, as well as a feeling of being appreciated for personal contributions. These two dimensions are not dependent on where work is performed, so companies should enhance them in the Anywhere world.
2. **Building relationships:** Working from anywhere brings much more pressure for conscious cultivation of relationships. Managers need to be intentional about building bonds with team members through targeted communication,
3. **Monitoring productivity while caring about privacy:** 77% of remote employees report increased productivity, but companies still need to ensure workers contribute to the team result, while respecting privacy concerns. Complaints about a "Big Brother" approach are rife; one study found that when companies used tracking systems to monitor output, employees were more likely to pretend to work. Rather than tracking computer activity or using cameras, a better solution may be to divide work into measurable
4. **Good online collaboration:** Working together effectively is another challenge, particularly when teams are spread out across multiple time zones. Companies are turning to technological tools such as Slack for communication (a solution that had built a following in the tech industry before the pandemic). Miro offers an online whiteboard; Trello, Asana, Basecamp and a host of others help organize projects; Mural supports brainstorming. In addition to technological solutions, organizations are thinking more deeply about how to encourage asynchronous communication - replacing online meetings with written documents, video or other formats - and thinking through policies for when cameras should be turned on for online meetings, and when they can be off.
5. **Enhancing innovation:** Collaboration, culture and values are also key to maintaining innovation, a Microsoft survey found. Empowering teams, while also letting individuals work uninterrupted in a flow state, are
6. **Learning & Development:** In an office environment, a great deal of mentorship and learning happens informally as junior employees observe their more senior colleagues. That kind of learning won't occur automatically when everyone is working remotely. To keep it happening, managers can deliberately pair up junior workers with more senior colleagues to perform a particular task. Moreover, some organizations are handling onboarding by requiring new hires to spend a certain number of days in the office each week, and assigning a senior employee to be there with them. Companies are redesigning training to be delivered online, and using talent analytics to identify people's ability to thrive in an Anywhere environment, and their capacity to acquire these skills.

COPING STRATEGIES FOR THE CHALLENGES OF REMOTE WORK:		
Area	Current state	Coping strategies
Productivity	No impact or even slight growth of overall productivity when working remotely. Nevertheless overall productivity growth is slowing.	Dividing work into smaller pieces with clear KPIs. Implementing remote collaboration and activity tracking tools. Meeting in-person for inspiration/innovation sessions. Effective feedback culture.
Culture	Employees detached from companies, reduced loyalty, company values difficult to share.	Human2Human approach: treating specialists not as resources but as partners in achieving goals and solving problems. Reducing "corpo-speak" in favor of transparency and to-the-point communication. Giving more power to teams and individual specialists.
Learning & Development	Juniors have fewer opportunities to learn from senior colleagues.	Batman & Robin approach: creating teams of two working together. More practical L&D projects for juniors.

keeping them informed and explicitly asking for feedback on a range of questions.

Ways to achieve this: Make sure you have regular check-ins with individuals and the group. Recognize achievements publicly. Keep track of stress to avoid burnout. In the remote world team-building can be difficult, but companies are starting to cope (see box). Other behaviors that help maintain culture include giving leadership roles to remote employees to ensure that their views are represented and avoid an unconscious bias toward those who work from the office.

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key. An MIT Sloan survey of 1,000 innovation leaders identified six behaviors to help companies innovate while working remotely, including reducing customer distance to keep employees focused on what clients want, and using gamification to encourage contributions to innovation.

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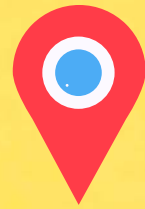
Expert view



Thierry de Cassan
Managing Partner, Tolson Consulting

After the explosion of working from home due to the pandemic, companies are thinking about the organization of work tomorrow by measuring its impact along three main dimensions: the economic and ecological cost; individual well-being; and the collective efficiency of the company. And the conclusion is different for each dimension.

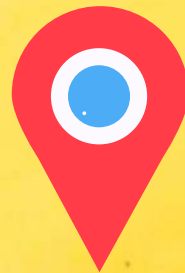
- When it comes to the cost for the company as well as for the community, there is a consensus on working from home.
- Regarding individual well-being, flexibility and employee freedom of choice prevail.
- However, when it comes to collective effectiveness, it is far too early to have a clear view. The sense of belonging to the company, the manager-employee relationship, the ability to innovate collectively, the chemistry of meeting in person: all these aspects must be carefully considered over time. The lack of established facts makes the current debate difficult.



Legal aspects of working from Anywhere

Anywhere work is also creating new dilemmas for managers as national laws and internal corporate practices lag behind the new reality. While it used to be that the Silicon Valley HQ recruited from the U.S., and the Berlin office recruited in the EU, now both may be competing for the same worker in Spain, which causes legal consequences.

Depending on the form of employment, Anywhere may also mean companies have to take into account varying national or local labor rules. One of the most prominent examples is the U.S. state of Colorado: because of a law requiring that job ads list a salary range, companies responded by saying positions were open only to workers in any of the other 49 states. A website set up to track the phenomenon had found 445 job listings from 164 companies by late August.



From Where to work from Anywhere?

1

Many U.S. employers are offering remote work in any state but Colorado, in response to a law requiring that job ads list a salary range.

<https://www.coloradoexcluded.com/>

3

A local government on the Portuguese island of Madeira is launching an initiative to attract digital nomads.

<https://digitalnomads.startupmadeira.eu/>

4

Indonesia is planning to issue 5-year visas to digital nomads who want to work in Bali.

<https://thethaiger.com/news/regional/indonesia-en/bali-plans-5-year-visa-scheme-for-digital-nomads-as-island-stalls-reopening>

2

91% of workers in India purchased new technology to help them work remotely, compared with 70% globally.

<https://www.cnn.in/work-from-anywhere/74-percent-indians-prefer-to-work-from-home-post-covid-19-report>



5

Colombia is developing as a hub for nearshoring, providing services in the same time zone as the U.S. market.

6

Central Europe is becoming a nearshoring destination for Western Europe, and companies from Germany, the UK and the U.S. are recruiting people to work for them without leaving their home countries in the region.



2

The constant talent shortage as the new normal



The burgeoning talent demand-supply gap and its implications



Uthra Krishnagopalan
Senior Analyst - Everest Group

An increase in discretionary spending, a buoyant stock market, and an increase in leisure travel are signaling fast recovery of the global economy. The resurgence in global services demand is driven by pent-up demand from the last 18 months and enterprises' accelerated IT modernization and business transformation plans to adapt to digital-first business models. However, there is a significant shortage in talent supply to cater to this demand spike. In fact, close to 86% of enterprises consider talent shortage as a key barrier to achieving outcomes from their transformation plans.

In particular, four aspects of the burgeoning talent gap are impacting the global services industry:

- **Timing the market right on skill-development efforts:** More than 67% of enterprises believe they are challenged with an acute shortage of qualified applicants with requisite skills. And close to 60% of enterprises state that the existing workforce lacks technical skills, given the pace of technology change. Employees adept at a varied set of skills to support enterprises' transformation

plans are in high demand. The diminishing half-life of skills due to technology obsolescence and the need to continuously innovate across products, processes, experiences, and technology require enterprises to build the right talent, with the right skills, in the right quantity, and in the right location. This right-shift strategy on skills development is a complex multi-variate analysis that requires a careful study of internal and external demand signals, as well as talent-supply metrics. Timing the market right on skill-development efforts is a continuous optimization challenge and enterprises that invest in the right data-driven workforce planning mechanisms have a clear competitive edge.

- **Rising attrition:** According to a 2021 Everest Group and Sourcing Industry Group (SIG) study, the average attrition rate among the IT industry has increased by over 10.5 percentage points in the past three months starting May. Working from home is creating new expectations for employees, as they seek improved work-life balance and better career-advancement opportunities. However, enterprises' inability to address these needs has increased attrition, with an intensification in the war for talent. High-growth industries such as IT, e-commerce, healthcare, and Fast-Moving Consumer Goods (FMCG) are reeling under this challenge. This fight for talent is more intense for niche digital technology skills such as AI,



Ronak Doshi
Partner - Everest Group



analytics, cloud, and cybersecurity, and companies are responding with increased compensation and benefits for suitable candidates. In fact, according to a recent Everest Group study, firms are offering 20-40% above peer roles to employees possessing IT skills. Firms such as Costco and Amazon have raised their minimum wages above US\$15, while investment management companies such as BlackRock have increased their base pay by 8% for staff at the director level.

- **Lack of project readiness:** The skills gap is coupled with a lack of project readiness, making it difficult to deploy talent. According to an Everest Group survey, 43% of enterprises are not satisfied with their IT service providers' talent due to low

project readiness. While upskilling through certifications is helping companies address the knowledge gap, poor industry context is hampering project implementations.

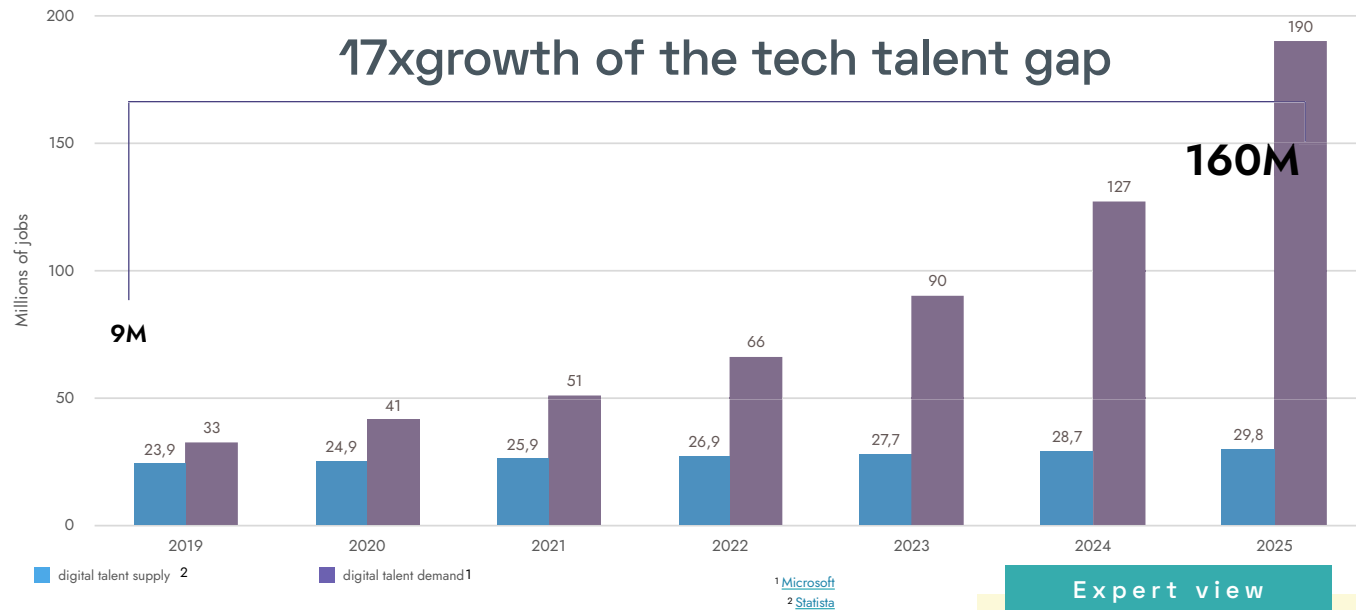
- **Evolving skills landscape:** As companies seek to become resilient, a new set of skills will become important, including digital skills such as data literacy, digital marketing, and cybersecurity. Firms such as Amazon have invested in training their non-technical employees in the skills essential to transition to software development roles. This training is being supplemented with a focus on "human skills," such as communication and empathy, to see greater client benefits.

The way forward
As firms rethink their talent management strategies, it is vital

for them to establish a multi-dimensional long-term strategy for recruitment and development. Curating the right skilling journey and nurturing alternate forms of talent models such as gig, will help win the talent war. In the near term, enterprises will need to use several strategies beyond increasing compensation to manage the rise in attrition. The exhibit at the top of the previous page illustrates the share of enterprises that plan to use such strategies to address the "great resignation."

86%
In fact, close to 86% of enterprises consider talent shortage as a key barrier

GLOBAL DIGITAL TALENT SUPPLY VS DEMAND



The Talent Gap in Tech: A Black Hole

As earth-shattering as it is, the A3 Revolution is really only part of a larger change: the digital transformation of business and society as new technologies upend every aspect of our lives. According to the World Economic Forum (WEF), by 2030, 1.2 billion employees worldwide (half of the global workforce) will need to adjust their skills to the new digital reality. In the area of tech, we're already facing not just a talent gap, but more of a talent black hole: a situation where more and more talent is sucked in, with no end in sight.

Definitions and calculation methods vary. But based on figures from Microsoft, we estimate that there will be a shortage of about 160 million tech workers in 2025 – 17 times wider than the gap was just a few years ago, in 2019.

The increase in online work and digitally-powered services requires more skills to run larger networks. The A3 Revolution is itself driving demand for tech talent in cloud and mobile services. And A3 also poses new challenges in the area of

cybersecurity, as employees access corporate networks from around the globe. Meanwhile, tech workers are changing jobs more frequently.

The talent shortage is causing sleepless nights and wreaking havoc on companies' ability to plan and manage their growth. Even a quick look at job openings from global IT companies shows the scale of the problem. According to a LinkedIn search in August, 2021, Microsoft had 17,800 job openings worldwide, a hefty 9.8% of its headcount of 182,000. Oracle, the second-biggest IT company by revenue, was looking to hire 9,200 people, or 6.8% of its total employment. And it's worth noting that one job post could hide several job placements within the same role.

The increase in online work and digitally-powered services requires more skills to run larger networks. The A3 Revolution is itself driving demand for tech talent in cloud and mobile services.

Larry Solomon
SVP, Chief People Officer, EPAM

It's no secret that employers across the globe—from all industries—have been experiencing something akin to a mass exodus as part of the great resignation. That's why, at EPAM, we have placed an even greater emphasis on employee experience by finding new and creative ways to align our vision and values with those that matter to our employees. By developing a strong ESG program that helps connect our employees to a greater meaning and purpose; building internal platforms that encourage professional development and create opportunities for growth and job rotations; and fostering collaboration across teams, we've found that our employees feel more connected to our leadership, their peers, and the company mission than ever before.



WEBINAR

The Human Cloud: Your Secret Weapon in the War for Tech Talent

Is your business experiencing a shortage of tech talent? The Human Cloud could be the solution



Join our Webinar on November 18th

- The tech talent gap – hard data, facts, trends.
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- The Human Cloud in practice: case studies and real stories

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Barry Mathews

CEO at Open Assembly - the world's leading learning resource and consulting marketplace for the future of work and open talent economy.



Przemek Berendt

CEO, Talent Alpha - the first platform connecting tech organizations in the cloud. The ecosystem of 600+ companies with the talent pool of 25,000+ IT specialists available on demand.

Thursday, November 18th
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Sign-up now

New Strategies to Secure Your Tech Workforce

The black hole in tech talent is fundamentally transforming the staffing market. Candidates are getting more proposals, becoming more picky and expecting shorter processes. Trends in tech staffing that have emerged since early 2020 include:

01. Anywhere talent acquisition: Companies are searching for talent outside their cities and national borders, offering fully remote work for more and more positions. Companies are setting up centralized platforms to manage all of their talent acquisition efforts around the globe.

02. Remote talent engagement: Virtual recruiting will become the new standard, according to 70% of respondents in a LinkedIn survey of 1,518 talent professionals. A survey of more than 140 business leaders by Cielo Talent found 65% were offering jobs to candidates they hadn't met in person, and 67% had a virtual onboarding program.

03. Accelerated talent acquisition: Recruitment processes for full-time tech positions are speeding up from 3-6 weeks to as little as 1 week, with good candidates getting serious offers even the same day they had the first interview. Companies that haven't streamlined their processes are struggling.

04. Global competition on pay: As talent acquisition goes global, salaries are following suit, pushing up pay by anywhere from 20% to as much as 70%, depending on the country and area of specialization. Companies in smaller markets find themselves competing e.g. with Silicon Valley giants. The situation is so dynamic that talent acquisition budgets should be updated even every quarter.

05. Paying for attending the interview: Single companies have started, and many are seriously considering, paying candidates for taking part in a job interview. This may become a new trend, although risky for the overall tech ecosystem in the long run.

06. New staffing models: More flexible ways of working including outsourcing, B2B and Human Cloud platforms (see Chapter 3).

07. Acquiring under-qualified people and upskilling: Companies have realized that rather than taking the time to find just the right candidate in a hot market, it can be faster to look for someone either inside or outside the organization and teach them the new skills they need.

08. Strengthening employer brand and communication: What's more, companies that can't afford to compete with huge enterprises on salary can find other ways to compete, including something as simple as a sense that they offer a cool place to work.

09. Running extensive educational and networking initiatives - Organizations are working harder to get on specialists' radar and build long-term relationships with them.

10. Rapid adoption of tech tools: Companies are adopting technologies including CRM and applicant tracking systems that speed up or even automate how they find candidates, analyze them based on their CVs, and test and verify their skills. Artificial intelligence is also taking on a role in the talent acquisition process, including CV parsing tools and AI-supported video interviews.

11. Reimagining talent pools: Rather than chasing the same dwindling supply of talent that all their competitors are pursuing, some companies are addressing the Talent Gap by looking in other places: older workers, overlooked minorities, people with nontraditional qualifications (see box).

12. Focus on tech recruiters: In the era of the Talent Gap, recruiters with well established networks are pure gold. Tech recruiters are paid as well as the people they acquire. They gravitate to companies that offer attractive employment packages and bonus systems. Demand for RPO (Recruit-

ment Process Outsourcing) is growing. Still, some organizations realize that they're far too dependent on recruiters and their personal connections (e.g. on LinkedIn), so implementing their own databases of specialists, running communication programs for potential candidates to keep in constant contact with them, and building their own human cloud platforms.

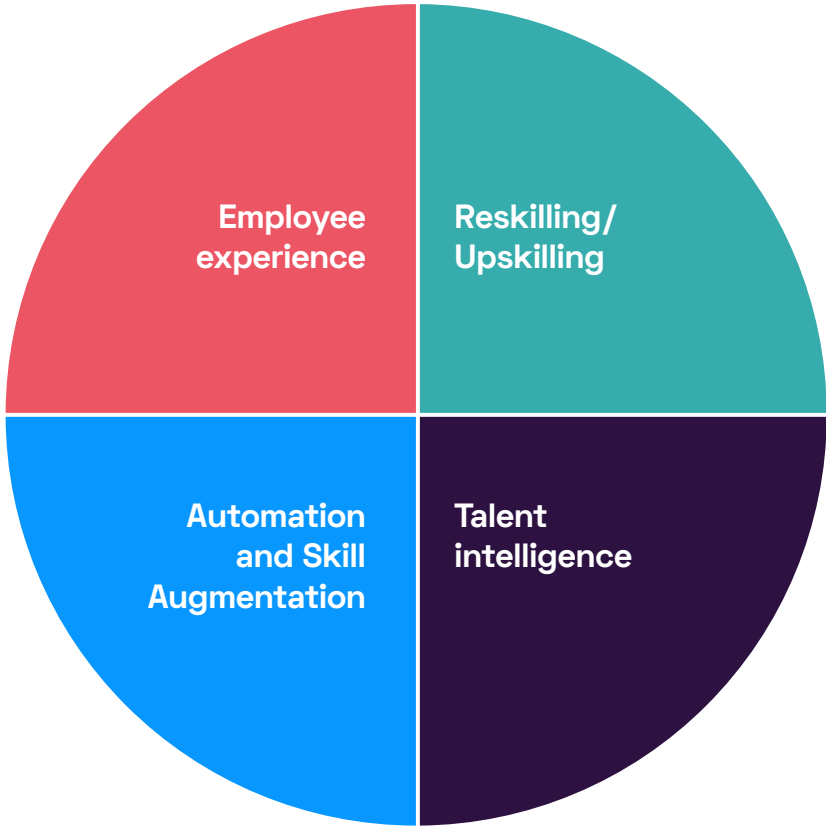
Fishing for Talent by Casting a Wider Net

According to the Harvard Business Review, smart companies are "hunting for talent where others are not," particularly among underemployed older workers. Writing in Forbes, Shellye Archambeau, a Black female tech CEO, points out that diversity isn't just a buzzword; it's a strategy that can have a real impact on addressing the talent gap when managers make sure they're recruiting, investing in and promoting qualified women and minority candidates. The Anywhere world also means that companies can look for talent outside large urban areas who are often left out of informal networks of contacts. STARS - people who are Skilled Through Alternate Routes - are another promising source of talent. STARS are people who lack a college diploma, but who have gained experience in other ways, including vocational education, military service and on the job training. Research identified 71 million potential STARS in the U.S. market alone. They include both young people fresh out of secondary education, and older workers who are reskilling to return to the workforce after a period caring for children or elderly relatives. Reaching out to young parents, especially mothers, who are available for part-time assignments is another promising strategy. Finally, companies can look to other industries for one particular skill set - e.g. finding people in travel and hospitality with a good customer service mentality - then reskilling them to provide knowledge of the sector.

HR Strategies to cope with the talent gap

As the skills gap becomes more firmly entrenched, companies are reimagining their approach not only to attracting, but also cultivating and retaining talent. Four major HR strategies have come to the fore over the past year: improving the employee experience; reskilling and upskilling; supporting the workforce with automation; and implementing talent intelligence.

- **Motivation:** feeling of purpose and being a part of a team
- **Work:** satisfactory salary, flexibility (A3), clear structures and processes, defined career paths
- **Communication:** efficient internal communication, feedback culture, transparency
- **Social interactions:** team building, informal networks
- **Workplace:** office space, equipment



- **Retraining** current employees, including those whose jobs have been automated
- **Hiring and training** rather than waiting for the perfect candidate
- **STARs** programs to identify high-potential workers, inside or outside the company
- **Online education** initiatives to develop talent

- **Robotic Process Automation** frees up employees for higher-skilled tasks
- **Equipment and control systems** can automate industrial processes
- **Personal applications** help track goals, maintain schedules (including regular breaks), monitor ergonomics
- **Intelligent Wearables** improve performance with services including augmented reality

- **Domain skill measurement**
- **Cognitive capabilities, soft skills and personal traits** discovery
- **Matching skills & capabilities** to the right team and project
- **Performance analytics** that allow continuous feedback
- **Progressive analytics** that predict the best skills to be learned and future roles

1. Improving the employee experience. A presentation by LinkedIn Talent Solutions puts it bluntly: “Companies are beginning to work for employees, not just the other way around.” Executives are focusing on improving management, culture and processes. In big companies, creating a feeling of individual treatment and adjusting to people’s personal needs is possible only with the help of technology.

Amazon announced a plan to spend \$700 million on training programs for 100,000 employees – about one-third of its U.S. workforce. KPMG’s survey of 1,300 HR executives ranked reskilling as the most important factor in shaping future workforce composition, with 72% describing it as “important,” and finding that “35% of employees are expected to need reskilling in the next two years.”

2. Reskilling and upskilling current employees to address the digital talent shortfall. In late 2020

3. Assigning repetitive processes to machines can free up employees to perform more complex duties. PwC describes the case of

a global bank where an automation project delivered annual cost savings of €750,000 and freed up 23 full-time workers, while increasing employee satisfaction.

4. Talent intelligence to identify, manage and develop skills. Companies are developing systems to manage the entire talent acquisition process, from identifying candidates to managing relationships with contractors and employees. More than 80% of managers expect HR teams to expand the use of AI in talent management in 2021-2026.

Expert view

Professor Leslie Willcocks
Department of Management,
London School of Economics
and Political Science

Robo-Apocalypse from net job loss emerges as unlikely. The much bigger storyline is of skills disruption and change from automation over the next 12 and

possibly 20 years. Globally, hundreds of millions of workers will need to change occupations, and/or need new mixes of skills, including new skills, to operate in future workplaces. Whether this is a likely, cancelled or postponed Robo-Apocalypse will depend on choices – on training, financial



support, education, speed of automation, what the tools are designed for, for example. Moreover, these choices will be made by governments, non-government agencies, corporates and individuals in the face of multiple factors and dynamic business, social, political and economic contexts.

Acquiring Talent from Anywhere

Once your company has understood and embraced the Anywhere revolution, you can begin looking for talent all over the world. The question then becomes how to go about it. And there are several ways to implement Anywhere talent acquisition, each of which has its own upsides and downsides:

Solution	Benefits	Costs/Risks
In-house shared services center	Greater control of quality, culture	Inflexibility; burden of running a foreign subsidiary
Use existing BPO providers	Speed, scalability upward or downward	Coordination needed, limited choice, higher costs than direct sourcing
Engage single professionals	Cherrypick the best talent around the globe, flexibility	Churn; need for coordination/management, quality
Use Human Cloud providers (enterprise gateway model - see p.36)	Speed, flexibility, single point of contact for multiple providers.	Coordination, internal hesitancy - the model is new to many organizations.

Expert view

Carlos Rubal
Advisor, EIT Digital

At EIT Digital, through our pan-European education programs in digital technologies, we strive to help bridge the tech talent gap that most of our corporate partners and ecosystem scaleups are facing. However, traditional employee recruiting can no

longer keep up with the increasing and more complex demand for talent, and companies are quickly learning to tap into the ‘ecosystem workforce’, a concept that’s becoming a reality through the burgeoning of talent marketplaces. While culture and language barriers are still a factor



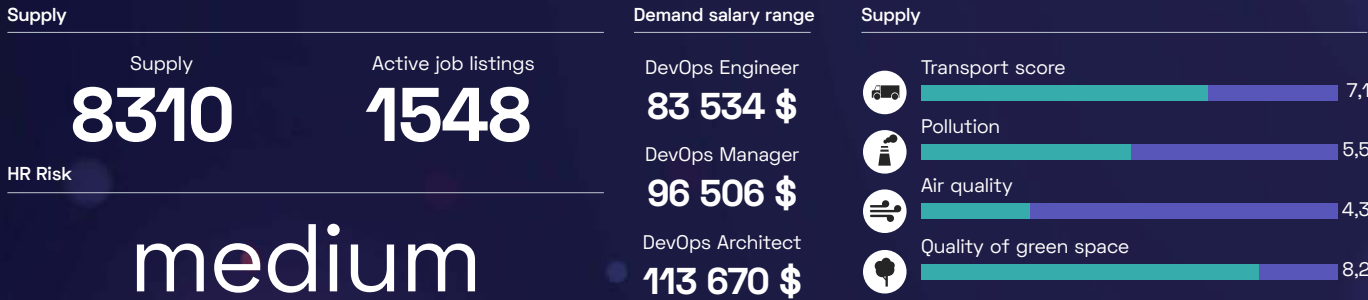
for many companies seeking to onboard talent from alternative sources, marketplaces can now deliver on-demand access to a deep pool of vetted professionals and flexible contracting models, providing the tools to take advantage of a potentially global workforce while minimizing risks.

Global Digital Talent Supply vs Demand

Fortunately, there are tools to help with Anywhere talent acquisition, like Stratigens' solution, which offers data not just on salaries but on other business costs and working conditions for locations around the globe.

EXAMPLE: LOOKING FOR A DEVOPS ENGINEER FROM ANYWHERE. ANALYSIS BY STRATIGENS

SEATTLE



Expert view

Alison Ettridge

Chief Believer (CEO), Stratigens

Using Stratigens we can provide companies with the whole picture, combining workforce and work-place data so that they can plan smarter talent acquisition, smarter workforce design, and smarter real estate strategy. In this example, we searched for the skill of DevOps in application development because we are able to look beyond just job titles. We can see the variation in supply and demand as well as salary and work-place environment. Plus, companies also want to know what it's like for people to live and work in a place. What's the commute like? How is the broadband speed? Using talent intelligence we can make the right decision for our people and for our businesses.

MEXICO CITY



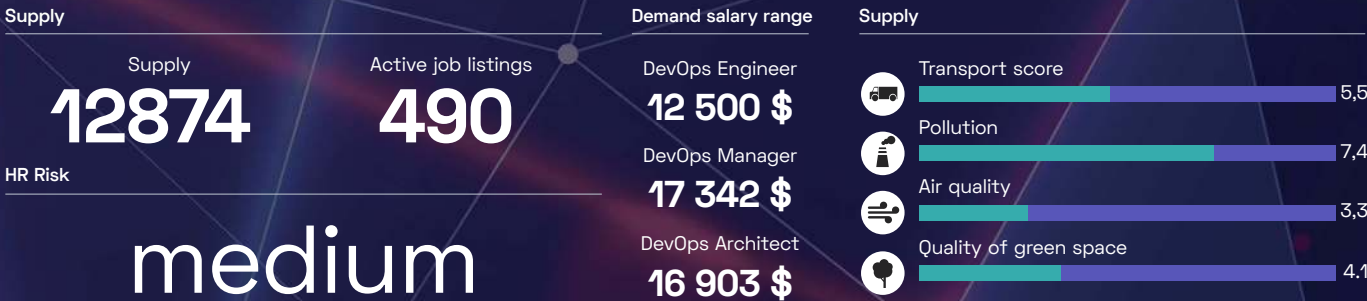
LONDON



WARSAW



MUMBAI



JAKARTA



SYDNEY



Open Talent



The trends described in the previous two chapters are combining to create the world of Open Talent. For individuals, the A3 Revolution means they can work anywhere in the world, and the shortage of talent means that skilled workers can demand arrangements that suit them.

3

90%
of business leaders see talent
platforms as important
for competitive advantage

www.hbs.edu

33%
of talent platforms say
revenue at least
doubled in 2020

www.hbs.edu

Meanwhile, employers desperate for new talent are looking for new ways to acquire skilled workers, and searching for them all across the globe. Those two developments are creating new, fluid models for engaging talent, replacing the old world built around traditional full-time work contracts. Companies are building ecosystems of talent and assigning work to the people who can do it best, regardless of their form of employment.

Employee liberation means that today's workers can change jobs with just a few clicks on a screen, without leaving their homes. And they're doing it: a survey of 6,000 U.S. workers found that 12% had started freelancing in 2020 for the first time. More importantly, 60% of these new freelancers said "there is no amount of money that would convince them to take a traditional job."

Regardless of the model in which

companies find the talent they need, they need to make a conscious effort to engage with workers. Skilled people today would like to be masters of their own fate, and have certain expectations for how companies care for their health and engage in social causes (see box). Employees want to be seen as partners, not resources, which requires a personalized approach – and that, in turn, requires a sufficient level of technology to keep track of relationships with workers around the world in a variety of relationships to the company.

Open Talent

On the employer side of the ledger, companies are adopting a new way of thinking about their organization and the forms in which it purchases labor. Already less than 60% of workforce spend goes to employees, with the rest paying for external labor, according to a report from SAP Ariba

4x
Growth in the number
of platforms, 2009-2019

Staffing Industry Analysts

50%
of Fortune 500
companies use Upwork
to contract freelancers

Upwork

based on a survey of 2,050 executives in more than 20 countries. Some of this spending is being channeled through platforms that help companies hire freelancers: Upwork and Freelancer have reported growth of 50% or more in their client base since the pandemic began. Other forms of work include temporary labor, service providers, consultants and shared employees.

While startups with unpredictable budgets have long relied on flexible ways of engaging talent, the practice has been spreading to large enterprises. Upwork says about 50% of Fortune 500 companies are its clients as of June 2021, compared with 20% in 2017. Talent Alpha reported 130% growth in the enterprise segment in the last 12 months. However, just as in other areas of business, there is a divide between how born-digital companies engage with Open Talent and the approach their older rivals take.



Dominika Zaremba
Head of Talent
Science, Talent
Alpha

What Do Specialists Want?

It's not yet clear whether the Covid pandemic and its consequences for workplaces and employees' lives have completely changed priorities, or just accelerated trends that were visible before. But research from 2020 onward offers insights into what skilled workers expect from employers.

Remote work removes the need to commute and the possibility of random social interactions, thus increasing sedentary time, and possibly loneliness. That means employees can experience more back pain, weight gain and affective disorders.

How can you respond to these needs? One way is to expand health insurance to cover mental health services; employers should be working to de-stigmatize these issues and support work-life balance. In times of personal crisis, organizational support and supervisor accessibility are key factors supporting well-being. According to Gartner's 2020 ReimagineHR Employee Survey, employers that care not only about

the work experience but the overall physical and mental well-being of their employees see a 23% and 17% increase in the number of employees reporting better mental and physical health, respectively. These improvements translate into better productivity (a 21% increase in the number of high performers, according to Gartner's 2020 ReimagineHR Employee Survey). The effects "are even more pronounced for financially weaker firms, for knowledge-based industries" and for places with deep adoption of FinTech, another paper found.

Because of the destabilizing effect of the pandemic on the economy and everyday life, employees also value prosocial behaviors more than before. The rise in collectivist values and the perceived importance of prosocial behavior translates into employees' expectations of organization involvement in the current societal and political debates. Forced neutrality might not be effective for you: Gartner research shows that 74% of employees want their employer to become more actively involved in the cultural debates of the day, and that number of very engaged employees increases from 40% to 60% if their company acted on today's social issues.

When the world of Open Talent collides with labor laws and regulations designed for a world of full-time employees, tension arises. Uber, perhaps the world's best-known platform company, has faced challenges from labor regulators around the globe, from California to France to Australia. Countries' approaches "fall along a spectrum between very broad and very narrow approaches to employment status," the International Labour Organization says, including classifying platform workers as employees; ruling that they're independent contractors; and setting up intermediate categories that offer certain benefits, such as minimum wage, paid leave and compensation for workplace injuries. Regulators are still struggling to catch up with the changes brought by Open Talent.

In the cloud

The combination of worker demand

for flexibility and employers' acceptance of new forms of engagement has created the Human Cloud, a universe of people - including those inside your company - who you can engage to perform tasks for you. A wealth of technologies and platforms help enable and support this engagement; Human Cloud platforms can be open to all comers, or enterprise gateway marketplaces set up by a particular company.

The Human Cloud is changing the way companies view talent: rather than building up a roster of employees that "belong" to the company, they're treating talent as a network of partners who help them complete particular tasks. Companies that embrace the Human Cloud look at all of the people who perform work for them as a single whole: full-time employees are just one element in a network that also includes freelancers, B2B contractors, consultants, alumni and more

(see graphic on the next page). Embracing the Human Cloud makes the distinction between "inside" and "outside" the company irrelevant, or at least less relevant: the key question is who's the best person for a job, not their form of employment.

In addition to using Human Cloud platforms to hire individual workers, smart companies are using them to look at entire teams. This can be done by engaging a provider that has already put teams together, or by assembling them yourself – but for that to work, your Human Cloud solution has to provide enough data on each individual, including soft skills and working styles, to allow you to assemble a team.

When the world of Open Talent collides with labor laws and regulations designed for a world of full-time employees, tension arises.



Expert view

Brian Wallins
Research Manager, SIA - Staffing
Industry Analysts

Data from SIA's new Talent Platform Landscape report demonstrates an inflection point in the adoption of talent platforms among large organizations. Talent Platforms facilitate direct, digitally-enabled work arrangements for independent workers, from sourcing through payment. The technology enables hirers to identify and engage

independent workers for various types of assignment, typically of a contingent nature. The work is most frequently performed remotely and transacted through a two-sided digital marketplace. During a period where much of the global economy contracted, the worldwide Talent Platform market accelerated to 25% y/y growth in 2020. Much of the growth was driven by demand for IT freelancers. According to our



2021 Global Talent Platform Survey, IT led all skills, accounting for nearly half (47%) of Talent Platform gross spend worldwide, followed by 27% for marketing/creative skillsets. Longer-term, participants in the same survey identified "rising acceptance of contingent/freelance work" and "flexible workforces" as two of the top four trends that will have largest positive effect on the industry in the coming decade.

Expert view

Dyan Finkhousen
Chief Executive Officer, Shoshin
Works; Partner and Chief Operating
Officer, Platform Strategy Institute

In a world increasingly defined by connectivity and change, workforce ecosystems are the model of choice for organizations seeking speed, precision and elasticity. In dynamic markets, they provide resilience. During the initial stages of digital transformation at GE from 2013-2019, a small team was formed in the Corporate Business Innovations group to investigate and scale open innovation and open talent. In this effort, we tested



the boundaries of these models and demonstrated that an intentional approach to open innovation, talent, and procurement models could reduce internal silos, invigorate skills development and career path options, and unlock vibrant external resource channels. With six years and \$17 million in funding, our operation generated more than \$6 billion in impact – and validated the role that workforce ecosystems can play in digital transformation and performance optimization. In the short time since we've seen extraordinary maturation in

the models, with platform-to-platform integration showing great promise to remove much of the operational friction that limited prior scaling efforts. The workforce ecosystems we're activating today are data-driven, culture-fit and designed to expand value networks through high-value connectors and connections. Studies show that organizations with dynamic resource allocation models are more than 2x more likely to outperform competitor shareholder value. The crowd, the cloud and AI are defining mainstream operations for the digital era.

Workforce Ecosystem

Data-driven
Digital-centric
Customer-obsessed
Distributed, collaborative operations
Diversified solutions portfolio
Distributed IP strategy

Open Talent

Capacity
Expertise
Insights
Outcomes
Solutions

Customers

Employees

Vendors

Open Innovation

Options portfolio
Ideas
Designs
Insights
Plans
Solutions

Procurement

Capacity
Outcomes



The open talent ecosystem

Ways to Access Open Talent

ENTERPRISE ADVANCED PRACTITIONERS

These companies have made the strategic decision to leverage open talent and innovation platforms and organizations to get best ideas at scale, tap the best expertise, and augment staffing as needed.



CONSULTANTS, AGGREGATORS

These companies act as strategic and operational intermediary partners between organizations seeking expert knowledge and resources, and open talent and innovation platforms, but need help with the process.



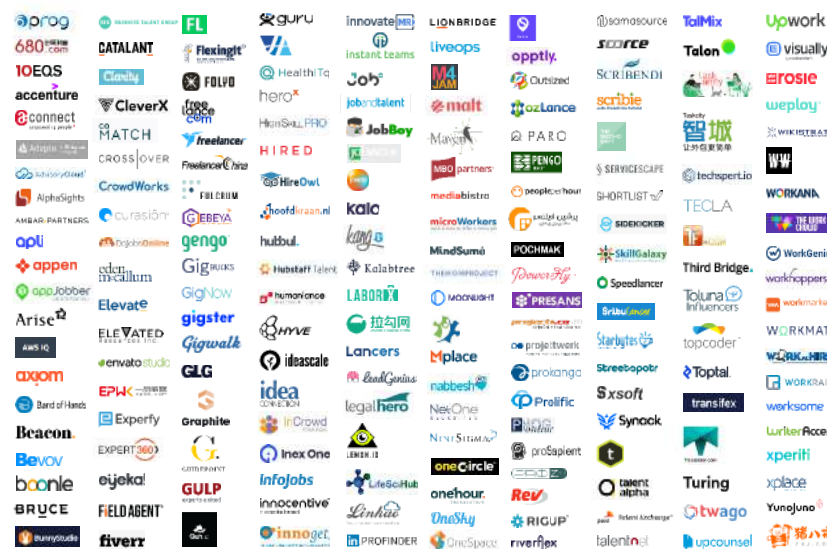
SMALL BUSINESSES

Idea Management

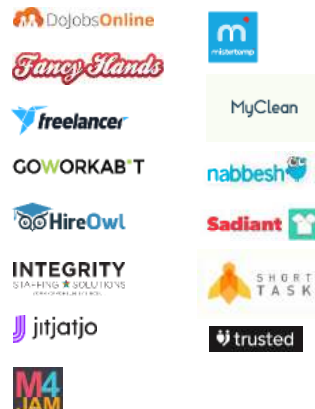


External Platforms

BUSINESS SERVICES



GENERAL TASKS



PRODUCT DESIGN & R&D



Internal Platforms



External Platforms

MARKETING



INFORMATION TECHNOLOGY



Freelance Support

ADVOCACY



EDUCATION & UPSKILLING



Expert view

John Winsor Founder and Chairman, Open Assembly

The digital divide is just as real in the world of talent as anywhere else: born-digital companies have a massive strategic advantage over their older rivals. Just as Google uses people's searches to make its algorithms better, and Facebook's community creates 100% of the content on the site, so Amazon can turn on a dime by using an open talent strategy. In a matter of months, Amazon used that strategy to create the world's largest distribution company.

Digital transformation is the buzzword du jour, especially as we respond to the economic disruptions of the pandemic. For most companies, this means attaching the latest digital tools, from Asana to Slack, to their current business models, without really transforming. But digital transformation works only when companies genuinely think ahead. And the companies that aren't digital natives are just getting started. Unlike born-digital companies, incumbents struggle because even as their work is increasingly digital, the way they're organized to do that work is firmly rooted in the industrial age.

If you're not born digital, you can't change your DNA. But companies can learn and evolve into a new type of entity, from a linear organization to a networked organization, and take full advantage of digital advances, especially the new ways of connecting to the best talent. In our research, we have seen several other companies becoming networked organizations, including Deloitte, Wellmark, Zurich Insurance and T-Mobile.

The combination of the talent gap, the cultural disruption of the pandemic and the rise of the new power workers mean the time is ripe for the adoption of open talent tools. Adopting open talent is no longer nice to have, but an imperative to ensure you stay competitive. The good news is that whether you're born digital or not, at some level your employees most likely are already using the power of open talent to get their work done. Welcome to the transformation of work.



Enterprise Gateway Marketplaces Are Turning Large Organizations Inside Out



James Currier
General Partner,
NFX

PHOTO BY:
CHRISTOPHER MICHEL

Enterprise gateway marketplaces (EGMs) are revolutionizing the way large corporations source talent: sales technology, health-care for employees, biotech lab work and much more. EGMs are tailored to help big enterprises (2,000+ employees) coordinate with thousands of outside vendors. They answer the question: “How can large, bureaucratic corporations add marketplace efficiencies?” EGMs help enterprise employees cut through internal red tape, letting them get their jobs done better by giving them more possibilities of who to work with.

And for millions of smaller vendors, including freelancers and other types of workers, EGMs solve the challenge of selling into large corporations. This has always been difficult, in part because of the separation between senior executives who traditionally needed to authorize contracts and the employees on the ground who directly use and benefit from their products. EGMs get the blessing of the senior executives because they’re safe, adding to control and compliance, and they get the blessing of the employees on the ground because they’re flexible.

To understand why EGMs work, it’s helpful to take a step back and ask why large corporations exist at all. Historically, corporations have been the most efficient structure to get stuff done: large network structures that minimize transaction costs. Traditionally, the networks formed inside a corporation have been denser, faster, and more valuable than those outside.

But as we know, large corporate internal bureaucracy also obstructs network flow. It slows down decision-making, slows down action, and often drives what feels like bad decisions. The A3 Revolution and the tech-

nologies behind it have given us better ways of creating trust with people outside of an organization. That means it’s becoming faster, better and cheaper for nodes inside a corporation to link with outside talent to complete certain tasks. It means transaction costs with people outside the organization are now lower than with people on the inside. In the past, enterprise outsourcing was done via large, complicated, high-cost, long-term, inflexible contracts with other sizable organizations. Big companies were comfortable working with other big companies. But the EGM model can be 10 times more flexible, 10 times faster, and cheaper – and the gap we see today will only get bigger over time. An EGM is constantly adjusting and improving at low marginal cost — faster, we would argue, than a company can adjust and improve internally.

By giving corporations access to the world of Open Talent, EGMs will transform entire industries, or at least shift the balance of power between industry players. The corporations that adopt EGMs early will more quickly take advantage of more of the new SaaS tools on the market, and benefit from innovation earlier in the adoption curve.

EGMs are making it manageable for small vendors to sell into S&P 500 customers that are normally out of reach, and allowing enterprises to work with outside vendors to get the latest business products and services without having to bring them in-house. World-class founders who can see the need for EGMs and have the vision to execute will form part of the next generation of iconic marketplaces that rewrite entire industries.

For an expanded version of this commentary please visit the website of NFX, a seed-stage venture firm headquartered in San Francisco.

Exchanging Talent to Bridge the Tech Talent Gap



Przemek Berendt
CEO, Talent Alpha

Since the pandemic began, the tech talent gap has continued to expand. In fact, it’s no longer very helpful to think of it as a gap, a mere shortfall that could eventually be bridged; it’s something that has fundamentally altered the business landscape (see Chapter 2). Based on Microsoft predictions for the talent market and global talent supply data, the shortfall will hit 20 million at the end of 2021 and a shocking 160 million at the end of 2025. Everywhere you turn, everybody is looking for digital talent and struggling to find the right people at the right time. Time to hire, cost to hire and time to productivity continue to grow. It’s time to face the truth: the market is fundamentally unbalanced, and will remain so. To operate in this new environment of permanent shortage, it’s not enough to just do more of the old things. Companies need to look for new solutions: reskilling and upskilling to build supply; automation to help reduce the demand; increasing pay to bring the two curves closer together; and finding new models that will make the market more efficient. Among these new solutions, Talent Exchange will be crucial. Cooperation in harmonized ecosystems supported by tech, which we call the Human Cloud, can help overcome or at least ease the challenges of the tech talent gap.

The IT talent market is highly inefficient

Before the pandemic, most companies looked for talent in their small and mainly local networks. Talent ‘exchange’ happened through traditional means:

- Employees changing jobs – businesses were used to hiring in roughly a 30-km (20-mile) radius from their headquarters.
- Companies trading talent with one another through individual partnerships – usually through informal networks such as Facebook connections, and without any legal or technical frameworks, which limits the scale. The old way of doing things is inefficient for several reasons, including:
- Market participants don’t have a good understanding of where the supply and

demand are.

- The market doesn’t have standard ways of transacting.
- The market doesn’t have enough data to connect demand and supply at scale.
- The market hasn’t adopted tech solutions to enable quick matching and transacting at scale.

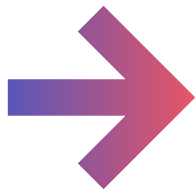
To address these inefficiencies, companies have to change the way they think about their workforce strategy. A paradigm shift is required to move from competing with one another for talent, to sharing available capacity in an agile way to get the job done.

Why companies should start exchanging talent at scale:

1. Not all companies are in need of the same talent at once. Even within a single company, some departments experience huge shortages, while others have significant downtime. That means there’s space for sharing talent – just as, for example, in the IT world server resources are shared among multiple participants.

2. There is unutilized capacity in the market. At any given time, the majority of service firms aren’t fully using between 5-10% of their total headcount. This creates an opportunity for all ecosystem participants. Buyers can tap into the unutilized skills, while sellers allocate their assets faster, improving the economics of their business.

At Talent Alpha we started connecting small and medium companies, who were unable to navigate large enterprises’ procurement and legal processes, with enterprises who are open to new working models. As an enterprise gateway, we’ve created a platform for the safe exchange of talent. Today a small company in a village in Romania or Montenegro can work on a big global project for ABB, Fujitsu or Novartis. We’ve liberated capabilities and skills that used to be locked up in a local ecosystem, and they’re now helping to meet global needs.



3. Traditional methods of making the connection between talent and opportunity lead to talent waste:

- Time is wasted as talent migrates from one place to the other
 - attrition numbers show the significance of this trend, reaching as high as 30% for tech companies today,
 - It takes as much as 8 months for a new hire to become fully productive,
 - When people are thinking of changing jobs (which current numbers show is true of as much as 58% of the IT talent pool in some countries), they don't perform at their best,
 - Organizations don't understand the skills, capabilities and motivations of their own workforce, which leads to a lack of engagement. According to the latest Gallup report, 80% of employees are not engaged or are in fact disengaged at work.

4. The world is focused on finding improvements in the 'old ways' of closing the talent gap. A lot of investment has gone into recruitment tech. But from a macro perspective, companies keep asking candidates to validate their skills over and over again. Recruitment costs continue to grow even as the volume of hires declines.

5. You simply have no choice. The cost and time of hiring digital talent is growing, as is attrition. Traditional methods just don't work anymore.

Exchanging Talent in the Human Cloud

Companies have been trying to exchange resources on a local scale by associating with one another. The Software Development Association (SoDA) in Poland and the Kharkiv IT Cluster in Ukraine are good examples of this type of initiative.

But to exchange talent at scale, the right technology and frameworks are crucial. You need:

- A technology platform to support smooth operations online,
- The legal framework to enable safe and quick transacting between parties,
- The right talent science engine, including a standardized taxonomy and systems of validation of skills – to understand and compare capabilities in a trusted way.

Human cloud platforms can be your single point of contact to hundreds of other tech companies around the world who are seeking to exchange talent remotely. With platforms like Talent Alpha's you can:

- Find the specialists you need on-demand
- Reduce your costs by sharing your bench
- Apply to serve new clients
- Announce you will have a free specialist at a defined point of time
- Build your own mini-ecosystem (a syndicate) of companies exchanging talent
- Use the platform's Talent Science capabilities to better understand the tech skills, personal capabilities and psychometrics of specialists inside your company or available for you in your ecosystem.

To learn more how to launch an Open Talent revolution in your organization, please see the tips in Chapter 4.

We also invite you to take part in our webinar devoted to building and using the Human Cloud.

It's time to face the truth: the market is fundamentally unbalanced, and will remain so. To operate in this new environment of permanent shortage, it's not enough to just do more of the old things.

Case study

Talent Alpha shortens Time-to-Productivity for a Global Cybersecurity Company

By leveraging Talent Alpha's Enterprise Gateway Marketplace, a global cybersecurity company has deployed an entire tech team in record time and at a lower cost point.

12 specialists deployed on a project in under 3 months
Time to productivity reduced by 50%
Access to 600+ IT vendors in one contract

Challenge:
a Team of IT specialists needed NOW!

One of our clients, a global cybersecurity company, was struggling to hire and build a software development team for one of their flagship products. They required 12 experienced specialists for an eight-month project, and they needed them to rapidly become productive.

Aside from the determined contract duration, they also had specific linguistic skills requirements which further narrowed the client's prospective talent pool. In a talent crunch market, it was safe to say that their traditional recruitment channels were failing to deliver the expected results.

Client's voice:
"Talent Alpha has been a reliable sourcing partner that has helped us to build tech teams fast. Thanks to their engagement model, which gives us access to project ready teams, we can kick start engagements quickly and at a lower overall cost of hiring."

Solution:
Immediate access to a cloud of specialists

The tech talent shortage is the exact type of challenge we strive to address at Talent Alpha through our Enterprise Gateway Marketplace, a platform that provides access to over 600 IT services companies which employ 25,000+ specialists globally. By tapping into our ecosystem, tech teams can be built on demand safely and securely, by identifying the right vendors that meet the client's exact requirements.

After working closely with our client to better understand their requirements, we then surveyed our delivery ecosystem. We found the right delivery partners and presented a short list of vendors.

Result:
time-to-productivity cut in half

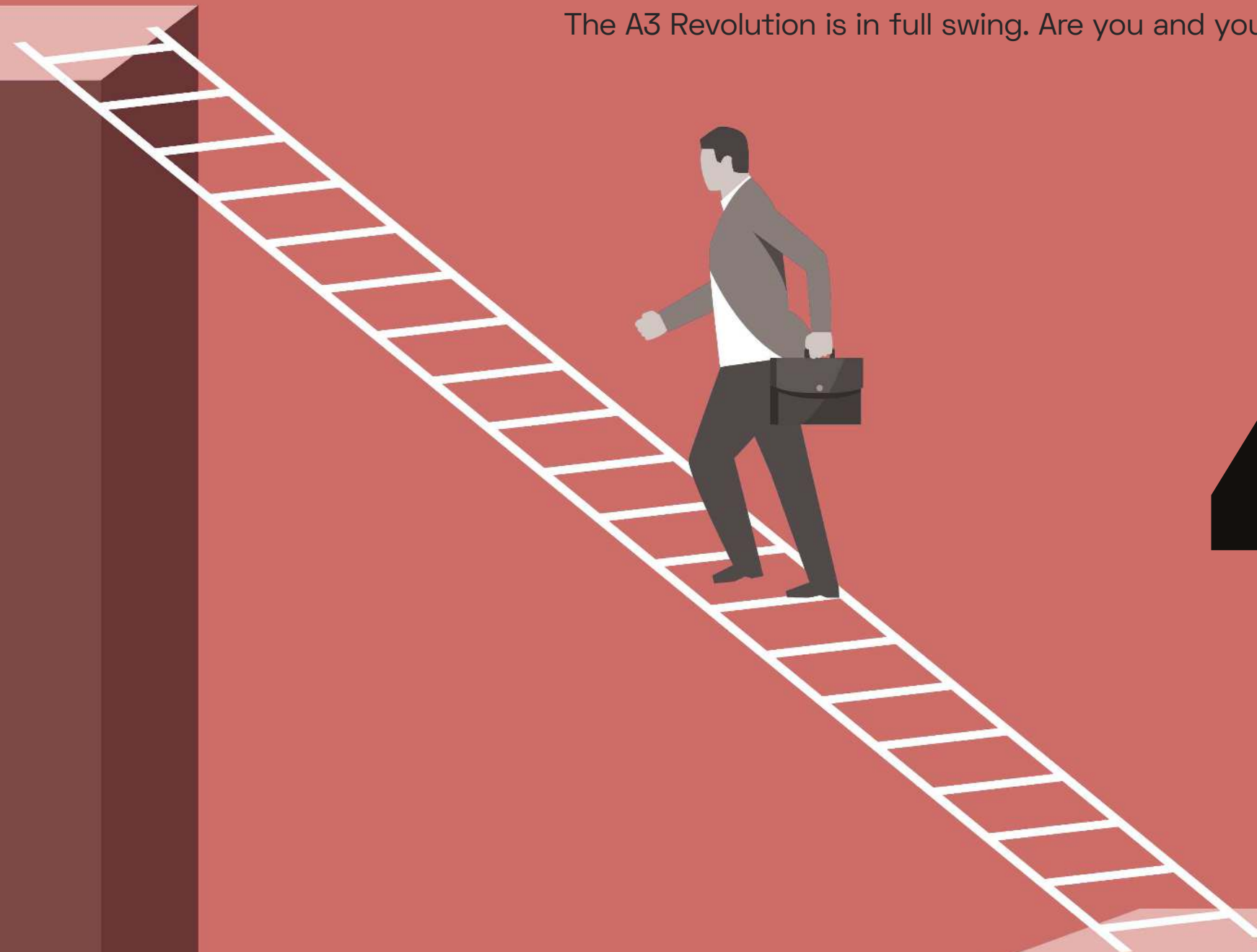
One month later, a team of nine specialists started on the project with an additional three engineers added the following month. That's a complete, delivery-ready team of 12 specialists in less than 3 months after the initial enquiry. Thanks to our Gateway model, time to productivity was reduced by nearly 50% in comparison to the client's traditional sourcing process. Furthermore, given our ecosystem comprises companies and entire teams, as opposed to freelancers, the project team immediately had built-in chemistry and a common working culture. This served as a fast track to performing, with less time spent on forming, storming and norming phases.

Case study: Exchanging Talent for Better Time-to-Productivity

Adapt or die. How to prepare your organization for the A3 talent reality

The A3 Revolution is in full swing. Are you and your company ready?

4



The A3 Revolution is in full swing. Are you and your company ready? Many people and organizations aren't. Decisions about talent acquisition are made too slowly - both for hiring individual full-time employees, and for implementing solutions such as EGMs to engage with the Human Cloud. Many HR departments are stuck in the 1980s, using Excel sheets while their colleagues in other parts of the company are using cloud-based solutions. Talent recruitment functions are proving to be particularly resistant to change; for example, greater automation is perceived as a threat to recruiters' jobs, rather than a way to free them up for tasks that require more creativity or human judgment. This is true even in some companies whose main business is innovation.

And fundamentally, as with any revolution, our response to the A3 Revolution requires innovation. Companies need to re-think something as fundamental

as their relationship with the people who perform the labor they buy.

But even when companies recognize the scale of the change that's needed, many of them fall into something that can be called the Dinosaur Trap: they're convinced that for some combination of reasons (the size of their company, the scope of its business lines, the slowness of procedures, the need for security, and much more) they're simply incapable of moving as fast as other market players - so they stop trying. In some countries, whole sectors can find themselves stuck in this trap.

What's more, many companies remain stuck even though during the pandemic, they've shifted

seamlessly into ways of working that seemed impossible less than two years ago. And yet, when new solutions are proposed, we still hear the same refrain: "It's impossible."

Whether you're an individual looking for a way to thrive in the new normal, or a manager who needs to rebuild your organization to ensure access to the skills you need, the expert views and comments in this chapter show you how to shake yourselves up and take on these challenges. Our contributors give practical tips on innovation, examining A3 from different perspectives of what it means for people, for organizations and for how they interface in newly defined roles.

Many companies remain stuck even though during the pandemic, they've shifted seamlessly into ways of working that seemed impossible less than two years ago. And yet, when new solutions are proposed, we still hear the same refrain: "It's impossible."

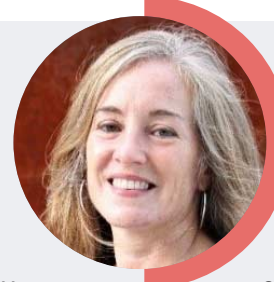
Expert view

Kristina M. Hardy
Disruptor, Novartis Business
Services X Team

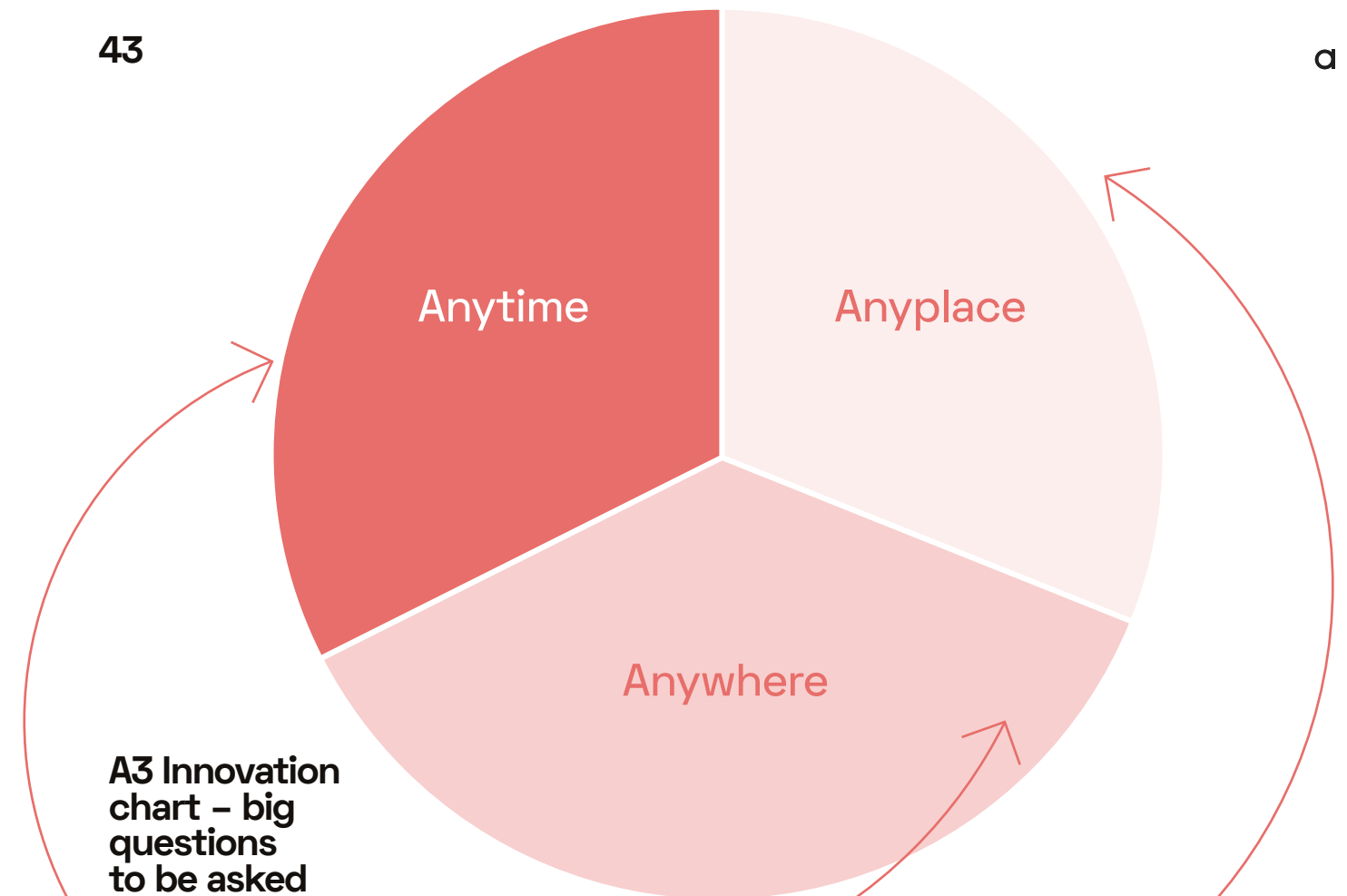
To keep up with the constant change in business we need to do things differently. People are the engine of our business, so it's absolutely crucial to innovate our people-related functions - HR, recruitment and procurement. To enable innovation, companies need to create a space accessible for everybody, where it's safe to discuss new ideas, question everything and experi-

ment.

In Novartis, in the CTS X team, we implement innovation using a rapid, start-up like approach to projects, often inviting external partners and experts to collaborate. If our Proofs of Concept generate positive outcomes, we move to implement on a wider scale. If we fail, we discuss it openly and learn. This is a powerful way to drive change. We can achieve the change and efficiency we need today by stra-



telegically combining the strengths of humans, machines and data science. We shouldn't be afraid of 'robots' taking our jobs: rather we need to embrace the amplification power of digital. This will free up human brainpower to do more important, nuanced work. Why wouldn't we strive to work perhaps fewer hours in a more focused way and on more critical challenges and topics, while automated processes run seamlessly in the background?



Anytime

- Hours worked or job done – how can we make work more results-oriented?
- What kind of people could I add to my team by making working hours flexible and implementing part-time work (e.g. young parents, older workers)?
- How can I get an advantage by working longer hours thanks to flexible working?
- What gains could we get from having work done in different time zones?
- What tools can make asynchronous work easier?
- Am I respecting my employees' need to disconnect, or is Anytime work becoming always-on work?

Anywhere

- What would happen if I change the role of the office to a training/innovation and voluntary on-site work center?
- How could I wisely spend the money saved on office space?
- Can I build a thriving company culture in a remote world? Why shouldn't I start today?
- What would happen if I tighten the rules, limiting my employees' ability to work from attractive locations?
- They say meetings are necessary to innovate. Really?
- Isn't this the right time to start using talent from outside of my country?
- Is offshoring good only for big companies?
- What are the tax and legal implications of people working for me in different jurisdictions?

Anyplace

- Do I really need FTE or do I need a job to be done?
- What is the cost of my open FTE positions – can I afford it?
- Why not share my own bench until I find work for these people to do?
- Are there any companies I could exchange talent with?
- Does it really make sense to compete on talent with other players on our market, or it would bring more value to start cooperating?
- Why does every company duplicate the effort of evaluating the same people for the same skills? How much time and money is wasted on long recruitment processes?
- Will I get better skills inside the company or outside?
- What skills could we learn from external talent?
- What would change if I start treating specialists as business partners, not my "resource"?



Skills and capabilities to drive change



Deborah Kops
Principal, Sourcing Change

Work from home, work from anywhere...to some extent, the exigencies of the pandemic have lulled employees into thinking that “change” is the primary imperative of the employer. After all, in just a few months employers have had to accommodate new ways of working in order to keep the corporate wheels turning. But in the next normal, talent must also adapt in order to participate fully in an increasingly virtual, digital world. While obtaining the right skills is table stakes, five capabilities will separate high performers from the rest of the workforce, opening up unprecedented career possibilities.

What are the new fundamental five capabilities?

I see them as the ability to:

- 1. Synthesize disparate information to drive decision making quickly...by using experience to develop scenarios, then testing based on available data.
- 2. Manage networks effectively...moving beyond process mastery to network mastery, managing disparate stakeholders at the functional and business level.
- 3. Tell a story...weeding through the minutiae to communicate the crux of the solution in plain language.
- 4. Align the stakeholder journey with results...ensuring that the experience is on par with performance.
- 5. Plot a career...by designing and following a game plan to create career success.

Talent, be prepared! (by Deborah Kops)

Success in the next normal is so much more than mastering skills and capabilities; it's also about creating a new mindset. The old formulas no longer work in a rapidly virtualizing talent market where individuals become their own asset. Answering job adverts no longer positions professionals for career growth; the right attitude and beliefs open up an infinite range of possibilities. IT professionals will be able to change their career trajectories by following a new success mantra. Here's mine:

- Be open to all things...jumping on new challenges when they unexpectedly crop up
- Take risks...applying existing skills in new contexts or reaching for new skills in the same environs
- Always be learning...valuing the opportunity to learn in a role on a par with or over remuneration
- Build durable networks...nurturing relationships with a range of professionals by keeping in touch regularly
- Be generous...give liberally of time and advice to others; it will pay off handsomely



EVOLUTION OF JOB ROLES

	Roles of yesterday	Roles of today	Roles of tomorrow
Technical skills	Single skill expertise	Core skill + adjacencies	Multi-functional skills
Non-technical skills	Good-to-have	Layered	Ingrained
Mandate	Operate	Operate, transform	Operate, transform, innovate
Skilling model	Factory-based	Factory-based/customized	Highly customized
Organization structure	Ad hoc	Services delivery pyramid	Business- or CX-aligned pods

Building the Roles of Tomorrow



Ashwin Venkatesan
Vice President - Everest Group



Vaibhav Marichetty
Senior Analyst - Everest Group

Role evolution – the impact of digital transformation

Across industries, job roles and their definitions are evolving rapidly from the commoditized definitions of the past. Yesterday's roles are becoming redundant as the nature of skills and business needs diverges from the past.

The massive shift in roles that's under way can be attributed to rapid digital transformation. The pandemic has triggered a shift to new digital operating and working models, widening the demand-supply gap and necessitating the creation of new job descriptions and roles. Enterprises are realizing the significance of retaining and engaging their workforce rather than taking the acquisition route. Thus, firms must constantly evolve their skilling strategies to build the roles of the future and stay ahead in the talent game.

The exhibit above showcases the evolution of roles over the years.

Building the roles of tomorrow: charting a skilling journey

Commoditized role definition offers limited specialization and alignment with business needs, and is a result of traditional outsourcing models, especially for offshore-based delivery, which depended on the creation of an optimized services delivery pyramid. The need for business alignment and keeping pace with technology enhancements will require enterprises to define the roles of tomorrow and chart a skilling journey to ensure low skills obsolescence. This will reduce the cost of building future-ready skills and roles in the organization, improve productivity and provide better employee experience, resulting in enhanced retention and ease of hiring.

Below is Everest Group's recommended approach to building the roles of tomorrow:

Phase 1 – gap assessment: Firms should identify the current state of competencies across their organizations and determine future competencies and roles that they wish to build based on business objectives and market trends.

Each identified future role can have its unique skill passport. A skill passport comprises a role description, skills needed for the role and the approximate demand-supply gap for the required skills. Developing a skill passport will help enterprises assess skill and competency gaps prevalent in the organization.

Phase 2 – path creation: Based on the gap assessment, companies can chart a skilling journey for each identified future role. The skilling journey contains information about the base roles, which can be a starting point for skilling into the desired role. Skill and competency gaps identified will be added to the base role to build the roles of tomorrow.

Phase 3 – role development: Enterprises need to evaluate whether they already possess the base roles needed, and undertake talent acquisition for those that are lacking. They need to supplement these roles with a training and development plan for upskilling based on the skill journey charts. Eventually, companies should measure the success of these role development exercises to consistently evolve and reinvent their skilling journeys.



How to implement open talent in an enterprise



Barry Matthews, CEO Open Assembly

There are two ways to think about open talent implementation: top-down and bottom-up. The top-down approach is to think of rebalancing the workforce as a strategic priority, identifying when and how to use open talent models so that at an enterprise level you are matching the optimum source of supply against your demand and achieving “Talent Balance.”

There are certain tasks that you might always want to retain and use a fixed, employed workforce to deliver, while there are others where you may benefit from using more flexible models, including outsourcing, consultancies, temporary workers through agencies or human cloud models.

Taking a strategic look at the workforce and assessing whether the current delivery model is the most efficient or whether open talent could be a more effective alternative will depend on a number of factors, including criticality, complexity, duration, systems access and security implications.

It helps to think of how work gets done as a series of tasks or activities that need to be completed, and then considering the best way to deliver them, rather than thinking of open talent as a way to replace job roles or titles. If activities can be split into a series of tasks or “atomized” into independent components, it can make it easier to match them to open talent models.

It’s also practical to think of open talent as a way of supplementing and augmenting the existing workforce model, not as a replacement strategy for full-time employees. It can be an incredibly valuable additional or alternative source of skills and capacity.

The second approach is a bottom-up approach, where you see open talent as a way of rapidly increasing the capacity of your existing team or filling short-term gaps, and where giving employees access to the human cloud enables them to increase their own capacity.

Many organizations find that they’re already using freelancers in this way without realizing it, as access to human cloud platforms is so simple and can be very low-cost. Staff may be using freelance experts for anything from research, to spreadsheet models, to

speechwriting and presentation design, paying for the services on a credit card.

Whether you see it as a top-down strategic initiative or a bottom-up tactical stopgap, the important thing is to have a plan. The most successful programs treat open talent as a strategic imperative: they set up a team, have executive oversight, work to agreed objectives and change processes and systems to integrate open talent models into the heart of their delivery structure.

10 steps to success

The world is filled with people who have ideas, expertise, and skills that are underutilized and untapped. The Open Talent Economy provides access to enthusiastic, passionate, talented individuals whom the traditional hiring process cannot reach. Networked Leaders need to think about what parts of their business are better served by internal employees and those that are better served by harnessing to the raw creativity of crowds. As you kickstart your organizational transformation, here are a few ideas to keep top of mind.

- 1. **EXECUTIVE SPONSOR** - Get backing and commitment from an influential senior leader with a solid business case for change.
- 2. **CHANGE PROGRAM** - Create a process to change the way work gets done in the business.
- 3. **ROBUST FRAMEWORK** - Design and measure savings against other work channels and document user feedback.
- 4. **EFFECTIVE ONBOARDING** - Put together a thorough onboarding plan for Open Talent, including sign-up, training, support, help, and ongoing engagement.
- 5. **LINE IN THE SAND** - Have a clear idea of what work should be sourced via Open Talent and what should not.
- 6. **FIT FOR PURPOSE** - Match the outcomes, budget, quality, and timeline to the right platform.
- 7. **ESTABLISH CONTROLS** - Be transparent about compliance, security and IP guidelines and integrate them into the hiring journey.
- 8. **CONSTRUCT SIMPLE BRIEFS** - Uncomplicate the briefs concisely with achievable milestones for freelancers.
- 9. **COMMUNICATE FREQUENTLY** - Avoid misunderstandings and keep track of progress with an open line of communication.
- 10. **PARTNER WITH PLATFORMS** - Choose collaborators with experience in your sector and expertise that meets your needs



Challenges

Implementing an open talent model can send shock waves across an organization. It challenges traditional ways of getting things done and the very thought of it can cause an emotional reaction and the response “that’s not the way we do things here.” The challenges that arise depend on the circumstances and the organization, but they are likely to include many of the following:

Typical areas of concern and mitigating actions

Talent access rather than ownership - like most digital initiatives, it requires a new way of thinking

QUALITY

“This is gig economy, high volume, low quality”
Whilst there’s a place for commodity gig services, the enterprise human cloud is very different. It offers high-end, professionals who choose to work on a flexible, freelance basis and who rely on your satisfaction and positive feedback

COMMS

“We need someone who’s part of our team”
Once you’ve agreed terms with the freelancer, they can work as part of your team. They will work remotely, can join virtual meetings, be part of daily stand-ups and are likely to become good friends - they will feel like part of your team

SECURITY

“it’s too high risk and compromises security”
Security is a valid concern for which each each marketplace tries place tries to solve. You can restrict access and set standards (authentication, VPN, back up etc) and some platforms provide secure Citrix work-spaces. Freelancers will sign up to your policies but will use their own equipment

RELIABILITY

“Surely freelancers will leave for a better opportunity”
You will need to manage this, however, once you’ve confirmed time period, price and requirements, then the freelancer’s commitment is to deliver against it, otherwise they will receive a negative review which will impact future opportunities

I.P.

“We will risk our confidential information”
It is up to you to protect your information. Clients typically ask for NDAs to be signed and will restrict systems access to only what’s necessary. The work product produced by the freelancer will pass to your ownership once completed

PROCESS

“We already have a MSP for this”
The Human Cloud offers an alternative; it’s simple to access, but you should build it into your talent and staffing process. Typically give someone in the talent team responsibility and build process steps that compare a variety of talent sources

LIABILITY

“What happens when things go wrong?”
The marketplace does not typically take responsibility or liability for the freelancer’s work. They act as a SaaS marketplace (like Ebay). They will offer a limited level of cover for high value projects

CULTURE

“How will FTE’s feel working with freelancers”
Freelancing is becoming an increasingly popular employment choice, especially among the younger workforce. The freelance experts you work with are likely to be highly skilled and will be highly valued by the team. It is generally seen as a positive, practical way of adding expert, flexible capacity



Larry Solomon
Chief People
Officer, SVP, EPAM
Systems, Inc.

Covid-19 has brought challenges to virtually every industry across the globe. But for many companies, the great resignation or the shockingly high quit rate of employees—tops the list. From “now hiring” signs in the windows of restaurants to an infestation of “recommended jobs for you” on LinkedIn, it’s no secret: there is a massive cultural reckoning happening in the labor market. So how do companies, well, reckon with it?

First, we need to examine the top two reasons why so many people are leaving their roles, and more significantly, their companies:

1. New Opportunities: What’s in It for Me?

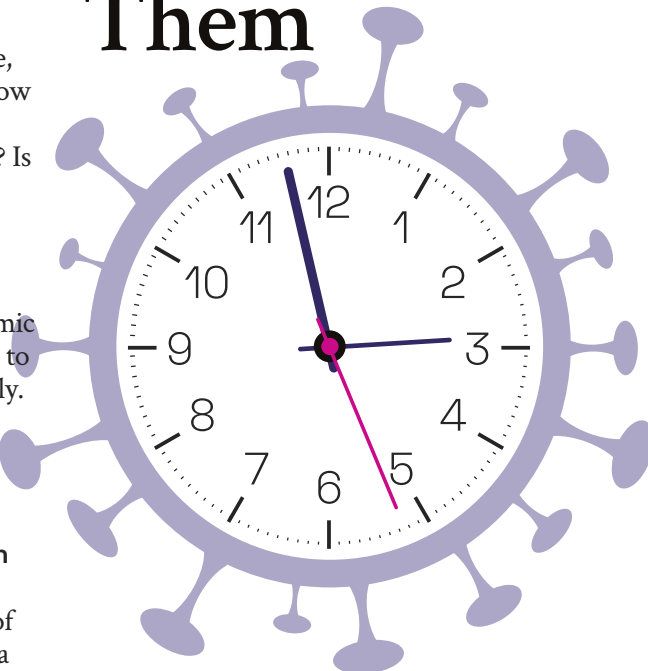
Although Covid has taken numerous things away from us, one thing it has provided for many is an opportunity to reflect, specifically on their careers. People have begun to assess what’s really important to them. For instance, does the job offer good work-life balance? How does the company treat its people? The surrounding community? The environment? Is the work satisfying? Does it provide enough variety—both in subject matter and skill? While at one time workers may have been looking primarily at compensation when deciding whether to stay or leave, the pandemic has clarified people’s priorities, helping them to evaluate their job satisfaction more holistically. When evaluating current or prospective employers, employees are weighing multiple factors into their assessments.

2. Strong Compensation & Benefits Remain Imperative

While Covid has highlighted other aspects of the employee experience, the importance of a competitive compensation and benefits package has not gone away.

For instance, a software engineer—let’s call her Cassie—might be doing exactly what she wants to be doing, for the company she wants to be working for, and is paid \$110,000 per year. She believes in her company’s mission statement, has been impressed with its commitment to the environment and likes the flexible working arrangements it offers. She’s had her eye on a nearby townhouse for a few months, but currently she’s able to rent a one-bedroom apartment, pay a nominal amount for health insurance and go to happy hour with

The Two Problems Fueling the Great Resignation—and How to Solve Them



friends after work without worrying when the check arrives. But when Cassie’s approached by a competitor with an improving diversity and inclusion program and similar flexible working arrangements, who’s willing to double her salary for a position that’s not quite as aligned to her goals, what’s she to do? Keep her current role that aligns with her interests, along with the lifestyle she’s accustomed to, or take the leap of faith to try something new that will improve her lifestyle—and help her land that townhouse?

This type of scenario is happening every day in tech. Once top talent is identified, it’s a sprint

to provide them with the better benefits package. You might have the best ESG program in the world, but if you can’t provide your employees with the lifestyle improvements they long for—and someone else can—you won’t be able to keep them. This is a race businesses need to win to have a chance with the right talent.

While these problems may seem straightforward enough, the solutions are anything but. So how can companies solve them? Here are three ways organizations can address these challenges:

1. Focusing on Employee Engagement

Perhaps most importantly, businesses need to create an environment that makes people want to work there, both from a high-level perspective and during the day-to-day minutiae. How can businesses do that?

From a strategic standpoint, businesses need to have a strong vision and a culture that matches it. One way to do that is by demonstrating a strong commitment to social and environmental welfare with a strong ESG program, whether by supporting a program started by several ingenious employees or creating one at the executive level, to keep employees committed to the company. While many companies feel it’s enough to have a compelling mission statement and flashy graphics, employees are looking for results, much like clients are for their own projects. For example, how have you helped your local area during the Covid-19 crisis? How are you engaging with and improving the community where you work and live? How diverse is your board? Your executive team? What have you done to help all of your stakeholders—not just investors?

At a more tactical level, employers need to prioritize connection. That means finding ways to give workers opportunities to build and maintain organic and authentic relationships—whether with peers, managers or people across the company—to increase their overall satisfaction. Equally as important, connection, especially across different teams, has the potential to foster creativity, leading to new business opportunities or even new ESG initiatives.

2. Creating Platforms to Extend Flexible & Creative Offerings

While the days of working for one company for your entire career may be gone, workers would still prefer to grow within the same company, instead of looking for a new job every few years. One of the best ways to keep these employees is to offer them new opportunities.

To do this, companies should create internal platforms that allow workers to navigate their career paths within the company—whether it’s taking on a new role, working on developing a new skill through a learning platform or working from a new location. And once they take on

these new opportunities, employers need to be able to provide them with the support necessary to make them a success. For instance, do they need a bigger budget in order to reach certain KPIs that have been set for them? Relocation support? All of these aspects are key to ensuring that workers can make the most out of their new venture.

But it’s not enough to just create these new opportunities and provide the right support. Employees need to know that they exist. Often workers fall victim to the mental trap of thinking it’s “up or out”—they can only move laterally if they move to a new company. Employers need to thoughtfully communicate about these platforms, on the channels that employees actually use, as well as describing how workers should best engage with these resources to ensure they’re being leveraged appropriately.

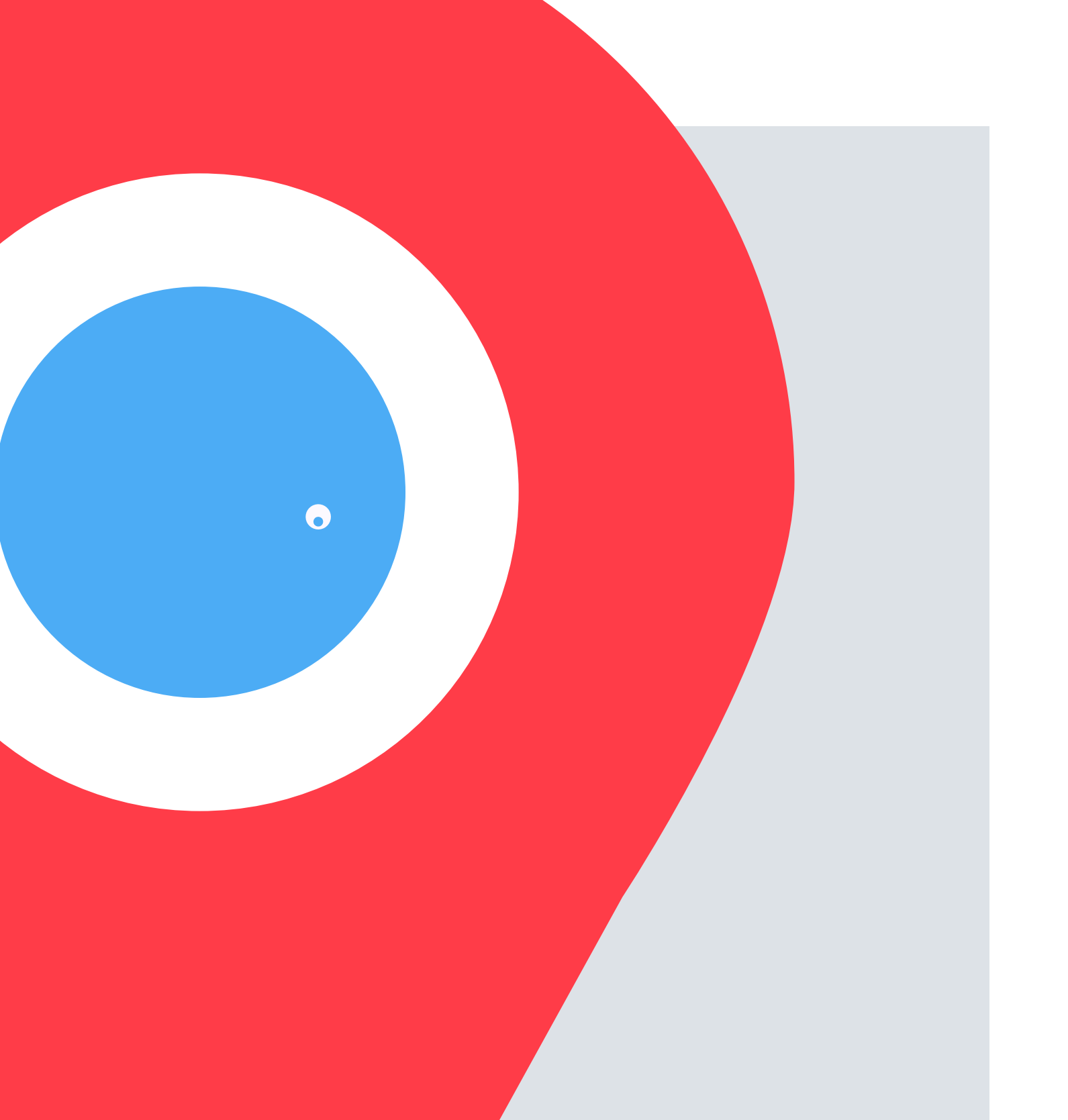
3. Providing Competitive & Market-Relevant Compensation—Fast

Lastly, what software companies can do to ensure they are keeping pace with other companies is offer competitive pay and benefits. While they might like your company’s work, they’ll be easily swayed—like in the case of Cassie—by another company if your offering doesn’t come close to what’s on the market.

Not only do you have to have a strong benefits package, but you need to offer it quickly. While in the past companies have had the luxury of taking their time to sift through the best candidates, in the era of the great resignation, service providers need to be willing to make top offers, and counteroffers, immediately to top talent. If they want best-in-class talent delivering high-quality work to clients quickly, businesses need to be willing to pay top dollar to prospective employees fast.

Make no mistake: even when the great resignation is over, the pandemic is not going to be the last disruptor in the labor market. Tech companies will continue to face challenges as the demand for talent grows while supply continues to stagnate. To ensure they keep top talent, businesses must be flexible and fast in their offerings while also keeping employees engaged with exciting projects, demonstrable ESG successes and opportunities for connection with others like them.

While Covid has highlighted other aspects of the employee experience, the importance of a competitive compensation and benefits package has not gone away.



The Future of Work Report 2021

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