

PERSPECTIVE ARTICLE

# WHAT'S NEXT IN WORKFORCE MANAGEMENT?

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AN ONGOING DISCUSSION ON OBTAINING  
AND RETAINING THE RIGHT MIX OF TALENT



Globalization. Economic uncertainty. Technological innovation. Demographic shifts. Continuing skills shortages. Changing attitudes and motivations among workers. All of these factors have contributed to redefining a workforce that is no longer easily characterized by conventional notions of 9-to-5, 40 years to retirement type of employment. Today, the workforce is an amalgam of traditional full-time employees, part-time employees, contingent workers, independent contractors, project consultants, retirees, service providers and outsourced staff. The current ratio of traditional employees to non-traditional — ballparked at 70/30 — underscores a new reality (and one of the largest historical shifts since women entered the workplace): the nature of work has changed and so has the nature of the workforce. Organizations that intend to maintain a competitive advantage through a high-performance workforce are looking to their strategic talent advisors to help them capitalize on these shifting dynamics.

#### **The Workforce Management Challenge**

Increasingly apparent global trends in population, education, earlier retirement age and labor demands point to a growing skills gap. Research by McKinsey paints a grim picture of what the global labor market may face by 2020:

- **38 to 40 million** fewer workers with college or post-graduate degrees than needed
- **45 million** too few workers with secondary education in developing economies
- **90 to 95 million** more low-skill workers than jobs available, which equates to projected underemployment in this sector of more than 10 percent

## MEETING THE CHALLENGE TO ACHIEVE WORKFORCE OPTIMIZATION

Ideally, an organization should be able to examine how work was accomplished in the past, consider the options available and then make informed decisions about how to get the work done in the future — on both a micro and a macro level.

On a macro level, McKinsey advises that, “advanced economies will need to double the pace at which the number of young people earning college degrees is rising — and find ways to graduate more students in science, engineering and other technical fields; these workers will be in high demand, and their contributions will be critical for meeting the rising productivity imperative.” Much also needs to be done to secure improvements in secondary and vocational training for both young people not bound for college, as well as mid-career workers whose current skills fall short of job demand.

Over the past decade, proactive organizations have taken steps to better understand and more effectively manage a shifting group of workers, leading to greater flexibility and creative workforce solutions in order to secure the right talent to meet business needs.



## EVOLUTION OF THE TALENT PARTNERSHIP

Companies used to engage their Managed Service Provider (MSP) to provide tactical oversight of contingent workforce programs, reporting and tracking, supplier selection and management, order distribution, and consolidated billing. All good moves that help organizations achieve solid governance of the contingent workforce procurement process, but ones that only scratch the surface of what a more strategic, talent management relationship can deliver.

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Enlightened organizations challenge their MSP to be far more. As a first step, a forward-focused MSP partner can uncover opportunities for ongoing cost savings, leverage workforce analytics for demand forecasting and talent retention, and blueprint timely strategic growth for both geographic reach and solution coverage. As a trusted strategic talent advisor, the MSP should spearhead transformational initiatives that reconfigure the value proposition of a workforce management program. Evolving from tactical “req to check” automation to a long-term, total talent management strategy is the new summit that needs to be surmounted, in light of both the growing complexity of the workforce and the mounting challenges of a skills vacuum that could put the brakes on growth and innovation in the not-too-distant future.

## POSSIBLE SOLUTIONS

Closer to home, workforce mix modeling, enriched by powerful data analytics, may hold the answer for companies looking to move workforce management to the next level. The challenge for most organizations is to optimize and manage the current workforce and at the same time predict and plan for future needs. Taking a strategic and innovative approach to how the workforce is structured would prepare an organization to be better positioned in the future for adapting changing business requirements to what the workforce has to offer. For example, advanced analyses using predictive analytic algorithms conducted by the MSP will proactively mitigate shortfalls by issuing a risk report delineating both knowledge retention strategies and gaps for mission critical processes.

## READINESS CHECK

Before making the leap from reactive to proactive workforce management, an organization should work with its MSP as a strategic talent advisor to assess the current state of its workforce management program.

Total workforce optimization requires a solid foundation, based on a comprehensive total talent management perspective that goes beyond the basics of contingent workforce management. A review of current trends and the practices of best-in-class organizations provides a roadmap to move any program forward. Tap your strategic talent partners for this valuable business intelligence.

- ✓ Are you ready to take advantage of the intelligence available through enhanced data analytics?
- ✓ Do you have true enterprise visibility into all aspects of your workforce?
- ✓ Are you identifying the trends, including ongoing risks and performance levels?
- ✓ How many different types of workers are managed under the umbrella of a single program?
- ✓ Are the percentage breakdowns of the types of workers (IC, SOW, temporary) the most efficient and cost effective for your needs?
- ✓ What is the appropriate blend in your total workforce?
- ✓ Do you have the tools and resources to fill your talent gaps and retain your best workers?

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## NEXT STEPS IN OPTIMIZING WORKFORCE MANAGEMENT

According to Ardent Partners, the average organization only maintains visibility into 45% of their overall contingent labor pool – that doesn't even include the traditional workforce. Clearly, there are miles to travel to reach full workforce optimization.

There was a time when the workforce was considered the exclusive purview of the human resources team. However, with the rise of the contingent workforce and the drive to lower costs, the complexity of sourcing many different workforce elements shifted selective responsibility over to the procurement team. In line with the trend to more fully integrate diverse components of the workforce, HR and procurement are now collaborating

more frequently to ensure their organizations can optimize the combination of sourcing workers and driving high performance at work. This shift from an almost exclusive focus on cost, to one that balances cost with assurance of quality, performance and results, is opening more

discussion about how to bring all the elements of the workforce into harmony.

The concept of total talent optimization/integration is the apex that best-in-class organizations are currently attempting to reach. Making the climb with them are their partners in

contingent workforce excellence. As strategic talent advisors, they offer the expertise, the insights and the innovative solutions to ensure an organization achieves the visibility and balance required to elevate workforce composition and performance.

In future discussions, we will continue to share ways that best-in-class organizations are tackling these challenges and the tools they are using to do so.

For additional insights

into the changing role of the MSP, read "[Making the Transition to MSP 2.0](#)" and "[MSP Purpose, Value & ROI](#)" at [bartechgroup.com](http://bartechgroup.com).

“ Taking a strategic approach to how the workforce is structured would allow an organization to more predictably flex both in response to, and in anticipation of, changing business requirements. ”



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## ABOUT BARTECH

Bartech provides integrated workforce and staffing solutions to Global 1000 firms. Through innovation and client-focused excellence, Bartech helps clients improve their market position by optimizing talent acquisition and retention strategies, providing leading edge workforce management tools and analytics and ensuring safeguards against operational risks. Having built a global, scalable talent acquisition platform for managing high-volume professional staffing needs, Bartech recruits top talent and delivers strategic Managed Service Provider (MSP) programs that are powered by world-class Vendor Management System (VMS) technologies. With almost four decades of experience, Bartech continues to receive top industry recognition for its solutions. Learn more at [www.bartechgroup.com](http://www.bartechgroup.com).