

# EXPLORING THE REALITY: THE JOURNEY TO TOTAL TALENT MANAGEMENT



ManpowerGroup®



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# EXPLORING THE REALITY: The Journey to Total Talent Management

Intentional or not, many organisations have created barriers between their permanent and non-permanent workers. Workforce strategies, management processes and technology, and even engagement levels often differ depending on the type of worker.

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Even so, an increasing number of employers recognise the benefits of breaking down these barriers by taking a Total Talent Management approach to workforce strategy. Yet little has been said as to how close organisations really are to achieving a fully holistic approach.

To find out, we interviewed a selection of senior HR professionals to uncover where their companies are in the Total Talent journey; the reality of how organisations view Total Talent Management; and the challenges faced in implementing such an approach.



# INTRODUCING TOTAL TALENT MANAGEMENT

Nearly 90% of respondents believe that future workforce strategies will call for enterprise-wide implementation, regardless of whether workers are employed permanently or non-permanently.

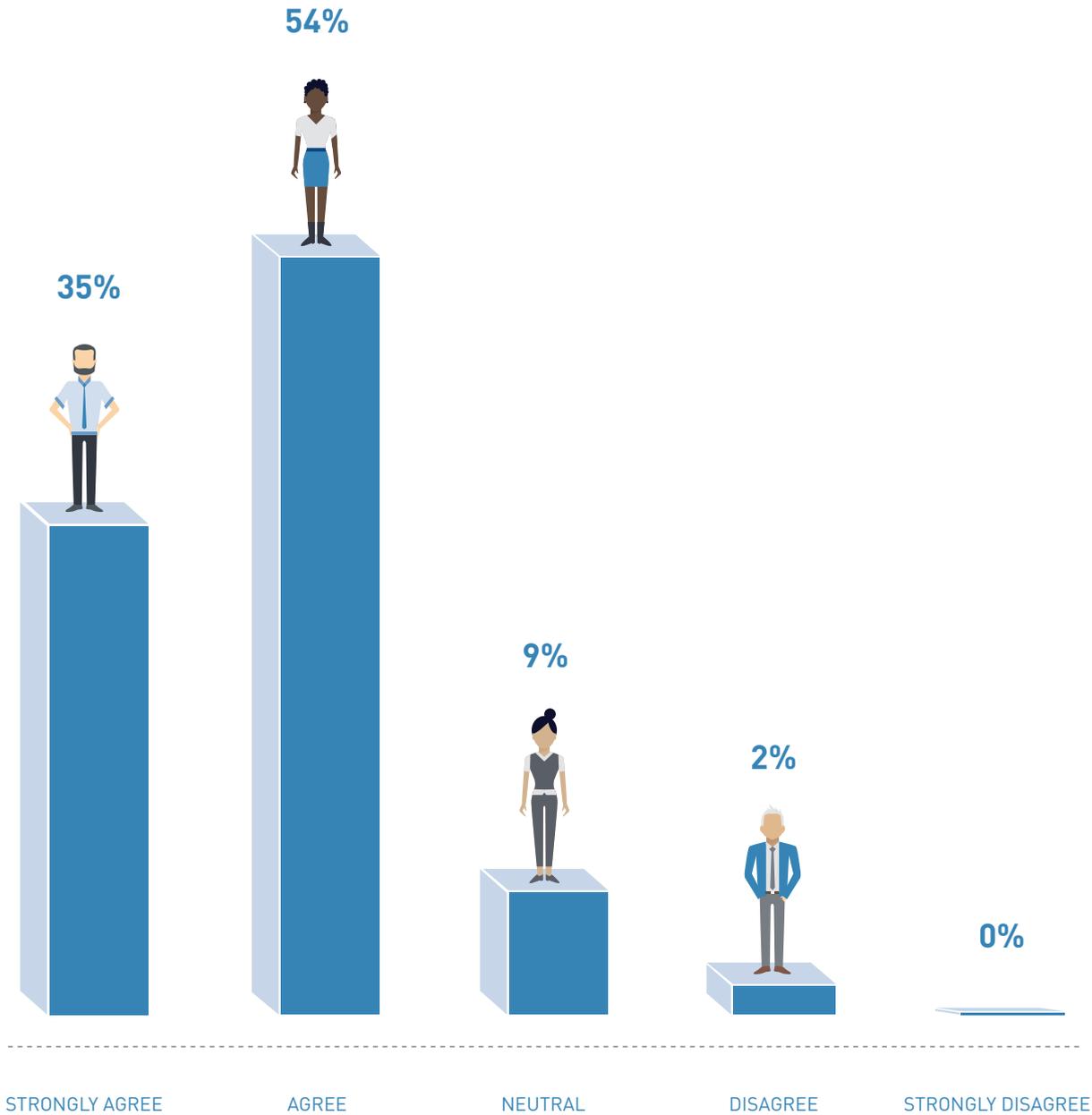
Traditionally, Procurement has been focused on 'purchasing' contingent workers; while HR has taken ownership for permanent resourcing and RPO management. As a result, historically, many organisations have experienced a disconnect between HR and Procurement - with both operating in distinct silos from one another.

Nonetheless, significant benefits can be achieved when these business functions align their strategies and work more closely together. When permanent and non-permanent workforces are no longer managed separately, employers can focus on attracting, engaging and retaining the right person with the right skills, regardless of how they need to be employed. It's the first step towards a truly blended working population, where securing the best talent is prioritised over internal definitions, labels and reporting lines.

In its absolute form, this mindset is known as Total Talent Management; where the entire workforce is united in a fully comprehensive talent management programme, delivered by a single provider. Not only does this include permanent and contingent workers, but this approach also encompasses other ways of getting work done – such as statements of work, offshoring, outsourced services, and even robots, drones and cognitive computing. However, on the journey to this target state, adopting a more inclusive approach to the workforce can be undertaken with different levels of sophistication.

According to our research, **the overwhelming majority of HR leaders surveyed believe that future workforce strategies will call for enterprise-wide implementation**, regardless of whether workers are employed permanently or non-permanently. A total of 89% of respondents either agreed or strongly agreed with this statement. It's clear that organisations recognise the value of taking a more holistic view of their workforce.

Future workforce strategies will call for enterprise-wide implementation, regardless of whether workers are employed permanently or non-permanently:



# BENEFITS OF TOTAL TALENT MANAGEMENT

Workforce flexibility, the ability to address skills shortages and the opportunity to engage the entire workforce are recognised as being key benefits of a Total Talent mindset.

More than half (53%) of respondents cited **'more flexibility in their workforce model'** as one of the top three benefits of taking a Total Talent Management approach. Faced with growing labour market tension, increasing talent mismatch and technological disruptions, a growing level of uncertainty about the future is being felt by the majority of organisations. During this period of ongoing change, a more flexible workforce model that can be cost effectively ramped up and down in line with business requirements may be an attractive proposition.

For 40% of respondents, **'the ability to address skills shortages'** is one of the top three benefits of a Total Talent mindset. Talent shortages have been prevalent for many years, and show little sign of slowing. In fact, the ManpowerGroup Talent Shortage Survey<sup>1</sup> found that 40% of employers globally are having difficulty filling positions. This was a two percentage point increase on the previous year and the highest level seen since 2007. Organisations that have a clear and full picture of their workforce will be able to make more strategic decisions about growth and allocation of resources. Doing so will also allow them to narrow any skills gaps their organisation faces, and adapt to future changes in skill requirements.

The third most commonly chosen benefit of Total Talent Management was **'the opportunity to engage with and motivate the entire workforce, not just permanent employees'**, with 36% of respondents selecting this as one of their top three benefits. With the gig economy gathering pace and portfolio careers on the rise, there's an increased desire among employees for more flexible ways of working. By taking a more holistic view of their workforce, companies can be flexible and more easily adapt to these alternative ways of working, in order to attract and retain in-demand talent.

Interestingly, only 35% selected the ability to make **'more informed choices about acquiring, developing and retaining all talent types'** as one of their top benefits. As organisations look to create more inclusive, integrated workplaces, better visibility of their entire workforce would give them a clearer sense of where they are and where they'd like to be in relation to achieving critical talent goals such as diversity. This suggests that many HR professionals may not have yet linked this important advantage to Total Talent Management.

Few HR leaders surveyed cited **'direct cost savings'** as a key benefit of Total Talent Management. In fact, just 10% of respondents selected it as being a top three benefit of taking this approach. This may indicate that HR is thinking more strategically about the value of their workforce – prioritising long-term business efficiencies over short-term financial gains. However, a Total Talent approach can help an organisation realise cost savings, as strategic choices are made about acquiring, developing and retaining all talent types, creating improved control and better economies of scale. Consequently, an ideal balance of focusing on people and skills at the 'right costs' (not necessarily the lowest costs) is likely to yield the strongest results.

Commenting on the numerous benefits a Total Talent Management approach can provide, one HR leader said: "There are many different ways to bring resources into an organisation. If a holistic view that includes all of those avenues is not taken, resources will be acquired in ways that are not cost effective, and that can expose an organisation to risks, (for example in relation to compliance, supplier dependencies, knowledge loss, etc.). **A Total Talent Management outlook that recognises the different avenues, and sets rules about which approach should be used and when, can ensure visibility of the total workforce.** It can also allow hiring managers to make informed, deliberate resourcing decisions based on an organisation's priorities and principles."

In your view, what are the **top benefits** to an organisation for adopting a more holistic view of their workforce through a TTM approach?



# WORKFORCE COMPOSITION

Few organisations are utilising 'new' ways of working. This may mean they miss out on engaging with skilled talent who want to work in non-traditional ways, potentially limiting their ability to secure the skills their business requires to remain competitive.

Optimising talent and workforce efficiency across many different worker types, who each engage with the organisation in different ways, presents a considerable challenge for employers. To understand the complexity involved in implementing a Total Talent approach, we asked respondents about the different types of resources their organisation currently engages with.

Looking at the specific type of workers engaged by the respondents, 97% said permanent workers make up a significant proportion of their workforce. 82% of respondents use agency staff and 93% use freelancers, consultants and contractors. However, **few organisations utilise alternative methods of working as a significant proportion of their workforce.**

Just 22% said they utilise gig workers in their organisations, with 16% of these respondents only doing so on an informal, ad-hoc basis. Added to this, only 10% of respondents said freelancers, consultants and contractors make up a significant proportion of their workforce. This suggests that many organisations may still be stuck in the mindset of a traditional workforce model and are slow to adapt to 'new' ways of working. This may mean they miss out on engaging with skilled talent who want to work with their employer in different ways. Take Millennials for instance.

***“Only 10% of respondents said freelancers, consultants and contractors make up a significant proportion of their workforce”***

When we interviewed 19,000 Millennials<sup>2</sup> about their career preferences, over half said they are open to working in non-traditional forms of employment in the future, including gig working. While just 3% of respondents currently have a 'portfolio career' with multiple jobs, 16% are open to working in this way in the future. Furthermore, 14% of respondents said they currently work as a freelancer or contractor, but 28% would consider this type of employment in the future.

By 2020, Millennials will make up over a third of the global workforce. Their comfort with disruption and openness to new ways of working will put pressure on employers to adopt more of the flexibility and varied work offered by alternative employment models. Those that neglect to do so may find that they fail to attract valuable talent from younger generations of workers.

**The limited number of organisations engaging with non-traditional forms of employment also presents a concern relating to skills.** While 'the ability to address skills shortages' was noted as one of the top three benefits of a Total Talent mindset, the majority of organisations surveyed are not yet necessarily open to engaging with workers in new ways in order to secure the skills their business requires to remain competitive.

	Permanent employees	Agency staff	Freelancers, consultants and contractors	Offshore workers
Significant proportion of the workforce	97%	3%	10%	7%
Small proportion of the workforce	2%	39%	45%	21%
Used informally, on an ad-hoc basis	0%	40%	38%	8%
Not utilised in our organisation	1%	18%	7%	64%

	Outsourced services	Statements of work	Robots, drones or cognitive computing	Gig workers	Volunteers
Significant proportion of the workforce	3%	5%	1%	1%	5%
Small proportion of the workforce	38%	12%	7%	6%	5%
Used informally, on an ad-hoc basis	26%	22%	9%	16%	11%
Not utilised in our organisation	32%	61%	82%	78%	79%

<sup>2</sup> [manpowergroup.co.uk/the-word-on-work/millennials](http://manpowergroup.co.uk/the-word-on-work/millennials)

# THE ROAD TO TOTAL TALENT MANAGEMENT

While 89% of respondents believe future workforce strategies will call for enterprise-wide implementation, few have actually begun the journey towards Total Talent Management.

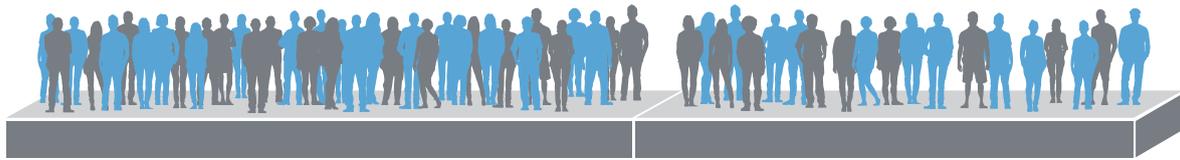
Just 43% of respondents have started to implement a Total Talent approach within their organisation. This has been done to different levels of sophistication: 11% have started to bring some elements of their workforce under the same management structure; 9% are evaluating their current talent sources and providers; 5% have implemented a Total Talent Management programme, delivered by a single provider; while 1% are talking to potential Total Talent Management providers. However, 16% are still at the very first stage of researching options - meaning that **just 27% of respondents have taken firm steps towards achieving Total Talent Management.**

On the other hand, 57% of respondents are not on the journey to Total Talent Management at all. 37% of respondents said that they haven't started the Total Talent journey because no general awareness exists of the need or benefit of this approach; while another 20% were in discussions regarding the benefits and need of Total Talent Management, but had not yet taken any action.

With the majority of HR leaders indicating that they believe in the importance of a Total Talent approach for future workforce strategies; what is holding them back from driving this through their organisations now? To understand this in more detail, we asked respondents about the key challenges they currently face in adopting a Total Talent Management approach.

***“57% of respondents are not on the journey to Total Talent Management”***

## 57% - NOT ON THE JOURNEY TO TOTAL TALENT MANAGEMENT



37%

Not started yet, no general awareness exists of the need or benefit of a Total Talent Management approach

20%

In discussions regarding the benefits and need of Total Talent Management, but no definite action taken yet

## 43% - ON THE JOURNEY TO TOTAL TALENT MANAGEMENT



16%  
We are researching options

11%  
We have started bringing some elements of our workforce under the same management structure

9%  
In the process of evaluating our current talent sources and providers

5%  
A comprehensive Total Talent Management programme has been implemented, delivered by a single provider

1%  
We are talking to potential Total Talent Management solution providers

1%  
Other

# BARRIERS TO TOTAL TALENT MANAGEMENT

Other talent management issues are taking priority right now – but budgets and gaining leadership support are a challenge too, as organisations look to move towards a more holistic approach to talent.

At 22%, the most prominent challenging facing HR leaders in implementing a Total Talent approach is that **other talent management issues are taking priority.**

As traditional business models change, organisations must react to new talent issues. Shifting demographics, the rise of individual choice, customer sophistication and technological revolution are collectively transforming business models. This means leaders need to keep the business running smoothly with one hand, while preparing for a different and uncertain future with the other. While HR leaders may appreciate the benefits of Total Talent Management, the complex business environment they operate within may have limited the time they have available to focus on implementation within their own business. However, while immediate issues must be addressed, business leaders must be mindful of the potential long-term risks to their organisation if they do not prioritise taking a more joined-up approach to talent.

Gaining support from leadership regarding the need for Total Talent Management was the second most commonly selected challenge at 21%; while the challenge ranking in third place was restricted budget to implement.

***“While immediate issues must be addressed, business leaders must be mindful of the potential long-term risks to their organisation if they do not prioritise taking a more joined-up approach to talent”***

In implementing a Total Talent approach, **stakeholders across the business will need to accept, adopt and implement new processes**, and an organisation's culture may be significantly impacted too. As a result, having conversations at a high enough level to gain support is crucial. HR must be able to create awareness amongst the C-suite of the benefits of Total Talent Management. They need to demonstrate their ability to provide strategic direction, and talk in commercial terms regarding the business case and the potential costs to the business of not implementing changes in their talent approach.

Technology is another essential factor. As workforce composition becomes more complex, organisations will need to adopt increasingly sophisticated people management practices and develop more coordinated and precise strategies that are aligned to real-time business needs. **Data will play a more critical role than ever before** – enabling better, faster decision-making; creating greater transparency; and allowing organisations to achieve a fully blended approach to the workforce.

Nonetheless, to fully harness the power of data, significant investment in technology is needed, in order to augment and align existing talent sources and platforms through a single dashboard. Not only does this demand significant resource and budget, but it also requires C-suite support. However, with 21% of respondents indicating a lack of leadership support towards Total Talent Management – and a further 20% with restricted budget to implement this – it's clear that many HR and Procurement leaders will need to focus on gaining internal buy-in first, before they can hope to introduce the technology required to adopt a holistic talent management approach.

Other talent management issues are taking priority right now  
– but budgets and gaining leadership support are a challenge too.



1

22% - Other talent management issues are taking priority right now



2

21% - Gaining buy-in/support from leadership regarding the need for a Total Talent Management approach



3

20% - Restricted budget to implement



4

10% - Inconsistent operating processes



5

9% - Our technology is not currently integrated to facilitate Total Talent Management



6

9% - Lack of internal resources to manage/implement

# CONCLUSION

As labour markets change, business demands mature, and pressure to find the right talent increases, organisations need to re-think how they view and manage talent and resources. Going forward, companies who are more flexible and adaptable to alternative ways of working will increase their ability to secure the skilled talent they require.

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While it's likely that HR will remain the strategic owner of talent, driving an organisation's talent strategy, a more joined up approach is necessary. As HR and Procurement collaborate more closely together and begin to align their strategies, they can increase an organisation's capacity for growth, recognise cost savings and introduce greater efficiencies. By reconsidering and realigning traditional workforce models and focusing more on the skills needed and the value a worker can bring to an organisation, a new mindset is emerging – where employers recognise that harnessing a fully blended workforce creates a real competitive edge.

To successfully create and embed such an approach within an organisation requires the buy-in from senior leadership, significant changes to processes and, often, a shift in cultural perceptions. However, the journey to Total Talent Management is just that: a journey. While adopting such an approach takes time and considerable effort to implement, when weighed up against the numerous benefits it provides, many forward-thinking organisations recognise they can't afford *not* to begin their journey.

# Starting the journey towards Total Talent Management

1

## **Maintain regular conversations**

Maintain regular conversations about the benefits of adopting a Total Talent approach to nurture engagement across the business – support at leadership level is vital to drive change

2

## **Remember, change takes time**

Recognise that gaining buy-in from the business, engraining new processes and changing cultural perceptions takes time – ongoing internal education will be needed and systems and processes must be easy to adopt

3

## **Before looking to hire new talent:**

- Concentrate on what skills are needed, not just the type of person or worker you might think is required
- Don't get stuck in traditional workforce models – remember that skilled talent may want to work with your organisation in a way you had not previously considered
- Take into account the assignment value proposition a worker with certain capabilities could bring your organisation (for example, introducing new ideas)

4

## **Focus on people and skills**

Focus on people and skills at the 'right costs', not necessarily the lowest costs, as this is likely to yield the strongest results

5

## **Focus on the longer-term actions**

While plenty of talent management issues deserve your attention in the short-term, remember to also focus on the longer-term actions that are required to enable your organisation to achieve Total Talent Management

6

## **Partner with a workforce management specialist**

Consider the benefits of partnering with a workforce management specialist who can work with you to evaluate your existing talent management processes, formulate a strategy to bridge the gap between current realities and future requirements, and map out a short and long-term journey towards Total Talent Management

## About the Research

ManpowerGroup surveyed a selection of HR professionals who attended Changeboard's 2017 Future Talent conference, along with subscribers to Changeboard's quarterly print magazine. Our findings are based on nearly 150 responses from HR professionals who hold positions of seniority within their organisations, including: HR Directors, Heads of HR, Heads of Resourcing/Recruitment, Heads of Talent and Heads of Learning and Development.

## About ManpowerGroup

ManpowerGroup® (NYSE: MAN), the leading global workforce solutions company, helps organisations transform in a fast-changing world of work by sourcing, assessing, developing and managing the talent that enables them to win.

We develop innovative solutions for over 400,000 clients and connect 3+ million people to meaningful, sustainable work across a wide range of industries and skills. Our expert family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – creates substantially more value for candidates and clients across 80 countries and territories and has done so for nearly 70 years.

In 2017, ManpowerGroup was named one of the World's Most Ethical Companies for the seventh consecutive year and one of Fortune's Most Admired Companies, confirming our position as the most trusted and admired brand in the industry.



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