



The Talent Shift

*The Convergence of Skills Evolution, Digitization,
and Flexibility*

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The Talent Shift: *The Convergence of Skills Evolution, Digitization, and Flexibility*

Ardent Partners

July 2019

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Contents:

- 1 Executive Summary
- 2 The “Big Shift” and the Future of Work
- 3 The Future of Work...is Now
- 4 The Acceleration of Digital Staffing
- 5 The Evolution of Skills and the Augmentation of Talent
- 6 The Impact of Demographical Shifts in the New World of Work
- 7 Adaptation and Agility: The Keys to Survival
- 8 Appendix

Executive Summary

From nearly every angle, the world of work is changing. Businesses are focused now more than ever on achieving a truly agile state, driving executive leaders to undergo digital transformation efforts as a way to spark value across people, processes, and data management. In addition, a Future of Work-driven “talent shift” is contributing to new human capital strategies, especially as both digital staffing and the continued rise of non-employee labor serve as catalysts for flexible talent acquisition approaches. And, as demographical changes dictate how companies execute long-term workforce planning, the pressure is on the contemporary business to adapt to these transformative shifts in how work is done. Otherwise, they risk being unable to thrive in the globalized, future state of work.

The “Big Shift” and the Future of Work

The world of work is in the midst of a transformational shift that spans the scope of talent, technology, and transformative enterprise thinking. For years, businesses across the globe functioned on traditional modes of operation, from full-time equivalent (FTE)-based workforces to a heavy reliance on manual-led processes. This, of course, changed as technology became more accessible and played a bigger role in how companies structured their overall organizations. And, in regard to the workforce arena, there is an even bigger change occurring that crosses into the realm of the Future of Work, which Ardent Partners defines as *the optimization of work accomplished via the transformation of business operations, talent, and seamless and holistic solutions, as well as flexible enterprise thinking.*

In essence, the “new” world of work revolves around the concept of new talent acquisition models, enterprises being innovation-ready (as opposed to innovation-adverse), and, an overarching corporate willingness to keep pace with a shifting and dynamic market. The “big shift” is not new line of thinking, but rather the view that, in order to thrive today and in the months and years ahead, businesses must tap into a series of agility-led strategies and solutions, including: **1)** innovative and flexible means of talent acquisition, **2)** the prioritization of evolving skills and expertise, **3)** managing the long-term talent outlook with respect to demographical shifts, and; **4)** adapting to a new work paradigm.

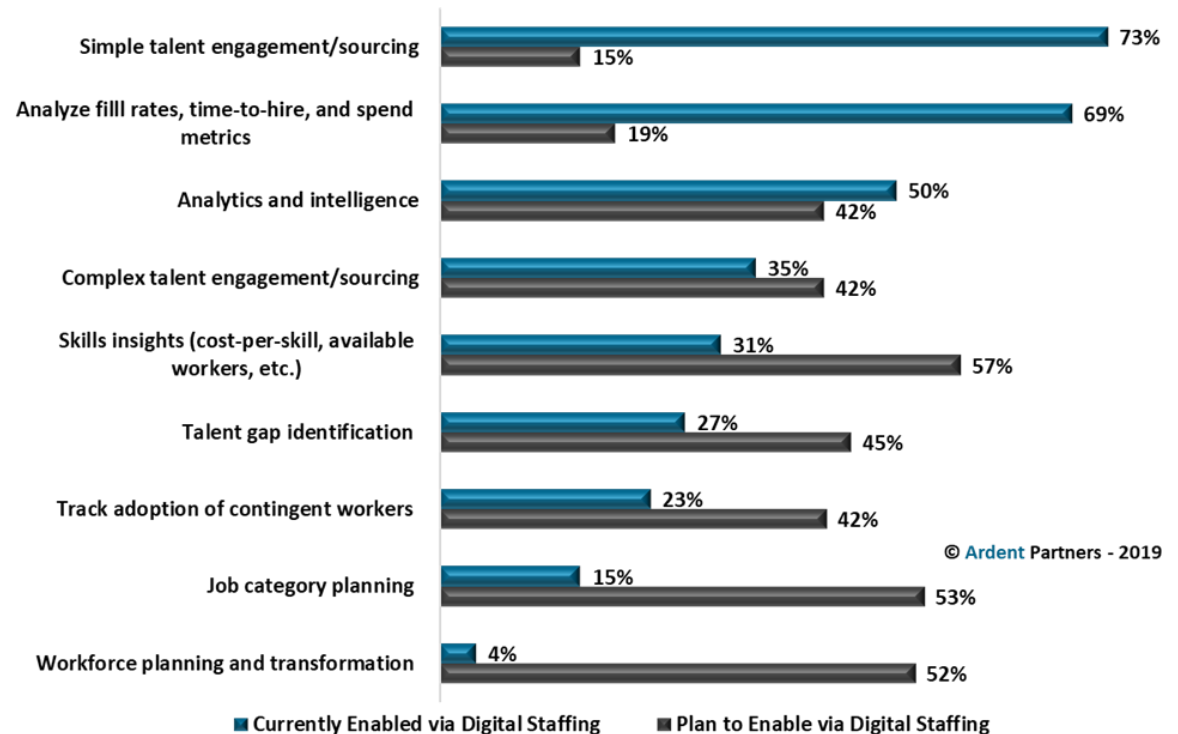
The Future of Work...is Now

The “Future of Work” phrase, which is inarguably one of the hottest business trends today, is, in fact, a misnomer. The vaunted Future of Work is happening *today*, and is less a concept and more a true, revolutionary *movement* focused on the ultimate optimization of work via advancements across talent, technology/innovation, and business strategy. Innovation is actively changing how businesses operate, and, with the major shifts happening in the current world of talent and staffing, it is imperative that businesses understand that, in order to truly thrive in this globalized and competitive environment, they must embrace the transformations happening today.

The Acceleration of Digital Staffing

The world of recruitment was once dominated by traditional staffing firms and vendors, with “middlemen” serving as talent facilitators to help organizations find the best-fit workers across any number of open positions. One of the sharp shifts in the world of work, however, which has been burgeoning over the past few years, is the enterprise’s desire to maintain a direct relationship with and control over both its traditional and non-employee workforces). Digital staffing platforms have emerged as a key solution in the quest to engage the best-fit talent and maintain control over the acquisition process. In addition to true digital staffing platforms (which offer 100% automated access to talent via marketplaces and freelancer management functionality), the realm of “digital staffing” is actively evolving: digital staffing outlets are actively offering managed services as part of their overall suites, while traditional staffing providers are integrating digital-led services into their solutions. These “hybrid” models are helping to boost the adoption of new talent acquisition and engagement models and actively contribute to the shift happening in the greater world of talent.

Ardent Partners research has been tracking the utilization of these on-demand marketplaces for the past several years and found that the general usage of digital staffing platforms has *more than tripled* over the past three years. The digital staffing platforms of 2019 represent a very different mode of on-demand technology than even a few years ago. In fact, Ardent Partners research points to a host of workforce management functionality that can be leveraged by its users (Figure 1, next page).

Figure 1: Current and Planned Utilization of Digital Staffing Functionality

One crucial finding derived from Figure 1 is that, today, the majority of businesses employ digital staffing solutions for their original intent: finding, engaging, and sourcing talent (73%). However, over the next two years, these platforms are expected to assist organizations with real-time talent acquisition and core workforce management capabilities. Other items of note from Figure 1 include:

- ▶ **Digital staffing’s ability to help users gain insights into skills.** Over the next two years, nearly 60% of business leaders expect to leverage their digital staffing platforms for “core” skills insights, including cost-per-skill metrics and the depth of expertise in their workforce network. This indicates that a majority of enterprises plan to leverage on-demand staffing for more than simple “search-and-select” in the short-term.
- ▶ **Identifying key talent gaps in current talent pools and networks through digital staffing data.** Many of today’s top digital staffing providers are “smart” in the sense that they utilize machine learning and other forms of artificial (or augmented) intelligence (AI) to provide the best-aligned talent matches for their customers. This workforce data can be incredibly powerful in helping those customers understand their current talent gaps by analyzing prior projects and engagements.
- ▶ **Digital staffing’s ability to support workforce planning and transformation.** Fifty-two percent (52%) of all business leaders expect to leverage digital staffing

solutions to power their overall workforce planning and transformation projects. This is due to the on-demand talent platforms' ability to build and curate high-quality talent pools, gain intelligence into the utilization of all types of workers, and, ultimately, help its customers develop the best-fit workforce management plans for the future.

The digital staffing solutions of 2019 offer robust functionality to power the Future of Work. As businesses continue to embrace the non-employee workforce and pursue organizational agility, the utilization of on-demand talent platforms will continue to rise and ultimately expand into new and exciting areas of workforce management. And (as described in the following section), as more and more top-tier, independent workers become more relied-upon to drive mission-critical projects and assignments, these digital staffing outlets will be a crucial means of developing a robust "pipeline" of specialized, highly-skilled talent.

The Evolution of Skills and the Augmentation of Talent

Another major shift happening in the world of work involves **worker skills**: skill gaps, skill erosion, and a pressure to execute upskilling/reskilling of existing talent. Today's businesses face an issue that is nearly unprecedented in history; with the introduction of new technologies, new solutions, and new ways of conducting business, companies are quickly realizing that, in order to truly survive in a globalized business world, they must tap into pools of specialized talent.

Ardent's annual ***State of Contingent Workforce Management*** research study found that the quality and depth of talent ranked first out of eight total "elements of work" in regard to their criticality in getting work done (other areas included costs/budget, engagement, compliance, soft skills, etc.). Too, 91% of businesses cite the scarcity of top-tier talent as the number-one factor in transforming how they will think about work over the next two years. These findings prove that, with the desire for business agility being the top challenge for businesses in 2019, companies understand the urgent need to engage the best-fitting, best-aligned talent (no matter the source). Of all the frequently vast resources at the modern enterprise's disposal, the pool of talent and workers remains its most critical. In the Future of Work, talent reigns supreme: access to new talent via dynamic and diverse sources is what will enable enterprises to tap into the necessary, evolving skillsets they require to succeed.

If companies want to remain competitive, they must engage flexible talent (or, agile talent) in a manner that brings specialized skills into the organization while augmenting greater talent acquisition strategies. Innovation is all-encompassing, and, as technology continues to optimize how work is done, businesses must engage the best-aligned talent for mission-critical enterprise projects. At the end of the day, the non-employee workforce does not represent a mere alternative strategy for getting work done, but rather a powerful, business-shifting force that presents specialized skills and deep expertise. As the business world continues to globalize and innovate, emerging skills will be essential to organizational success. And, as businesses continue to strive for greater agility, the speed and

effectiveness of their responses to new challenges and new initiatives will be based on the depth of flexible talent.

The Impact of Demographical Shifts in the New World of Work

As businesses approach a new decade, there is one astounding fact regarding the totality of its workforce: it is comprised of four key generations: Baby Boomers, Generation X, Millennials (aka, Generation Y), and Generation Z. As the Boomers continue to leave the workforce and Millennials become the biggest generation of talent in 2019 and beyond, the way expertise is engaged and managed shifts dramatically.

So much has been said about “employee engagement” and the “employee experience.” Ardent has long taken these human capital-led concepts a step further, citing the overall “talent experience” as a way to measure the greater involvement between a worker and the enterprise. Why does this matter so much in today’s demographically-shifted workforce? Both Millennials and Gen Z workers demand not only flexibility in how they work but perceive freelancing as a great way to build a career. To this end, the experience of this talent is even more paramount than more traditional aspects, like salary or benefits. The younger two generations in the workforce today represent a sharp change from Boomers and Gen Xers in that traditional retention strategies have not been as effective. The younger workers crave flexibility and the ability to learn and advance their capabilities. And, with so many specialized workers in demand, businesses have no choice but to prioritize the talent experience as a major element in long-term workforce planning.

Too, there is an innovation-led aspect to this demographical shift. First, nearly 54% of businesses expect to alter their overall talent engagement strategies over the next two years to reflect generational-specific acquisition models, particularly digital staffing. Secondly, those organizations with millennial leaders are finding that innovative engagement models are the key to building flexible, agile teams of talent. Given the millennial propensity for consumerized technology and mobile access to, well, *everything*, it makes sense for businesses to harness the power of digital staffing technology as part of this overall demographic shift.

Adaptation and Agility: The Keys to Survival

In 2019, businesses sit at an interesting crossroads. They face the pressure of competing in an increasingly-globalized business marketplace and the overarching need to react in a dynamic manner to new corporate issues. Adaptation is one of two keys to not only survive in the months and years to come, but to also thrive in changing economic, social, and political times. The Future of Work “state-of-mind” has the average enterprise embracing new sources of talent and understanding the criticality of its non-employee workforce. In addition, the Future of Work is founded on the concept of business agility. The ability to tap into emerging skills in a nimble and swift manner, compounded with digitized means of real-time talent acquisition, enables businesses today with the necessary dexterity to optimize how work is done. The Future of Work has shifted the concepts of talent, work, and technology...now is the time for businesses to adapt to this revolutionary reality.

Appendix

About the Author



For nearly 14 years, **Christopher J. Dwyer** has been one of the world's foremost spend management experts and leading authorities on contingent workforce management. He is a premier thought leader in the contingent workforce industry, authoring hundreds of research studies and evangelizing the evolution of the non-employee workforce and its associated technologies and solutions. Dwyer is the voice behind *Contingent Workforce Weekly*, the industry's first (and only) weekly podcast dedicated to this space, and is looked to as an expert on the Future of Work, Gig Economy, and the innovation behind the "new world of work."

Dwyer has been a prominent analyst voice for well over a decade, previously leading the Aberdeen Group's Global Supply Management practice and contributing innovative research and insights regarding the global supply management industry. Dwyer joined Ardent Partners in 2013 as a Research Director and currently leads the firm's coverage on "complex spend management," which includes non-employee talent, business travel and expense management, meetings and events management, and other key indirect spend categories. Dwyer and his work have been quoted/featured in *USA Today*, *The Christian Science Monitor*, *Forbes*, *CNBC*, and other major business publications.

Dwyer has been twice recognized as a "Pro to Know" by *Supply and Demand Chain Executive Magazine* (in 2014 and 2019) and has been honored four times (2013, 2014, 2015, and 2016) by *HRO Today* as an "Analyst and Advisor Superstar." And, in 2018, he was named as a "Top 100 Future of Recruitment Influencer" by *Onalytica*. Dwyer contributes thought leadership and insights to not only help procurement, human resources, and human capital management executives better find, engage, source, and manage talent, but also thrive in the new world of work. In his tenure as an industry analyst, Dwyer has also developed research projects and studies on e-payables, spend analysis, e-procurement, strategic sourcing, contract lifecycle management, and financial operations. He welcomes your comments at cdwyer@ardentpartners.com, on Twitter ([@CJD_Ardent](https://twitter.com/CJD_Ardent)), and on LinkedIn (www.linkedin.com/in/christopherjdwyer).

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