



The Future of Work Compendium

Underwritten by:

The logo for Checkr is written in a bold, blue, sans-serif font.

REPORT SPONSORSHIP

The views and opinions in this report represent those of Ardent Partners at the time of publication. Sponsoring companies have had no measurable influence on the content and research in this report. The contents of this research report are the exclusive property of Ardent Partners. Please direct any comments or questions regarding our research sponsorship policy to Ardent's Chief Research Officer, Andrew Bartolini, at abartolini@ardentpartners.com and/or 617.752.1620.

Sponsor:

The logo for Checkr, featuring the word "Checkr" in a bold, blue, sans-serif font.

Checkr's mission is to build a fairer future by improving understanding of the past. The Checkr platform makes it easy for thousands of customers to hire millions of people every year at the speed of the gig economy. Using Checkr's advanced background check technology, companies of all sizes can better understand the dynamics of the changing workforce, bring transparency and fairness to their hiring, and ultimately build a better future for workers. For more information, please visit: www.checkr.com.

The Future of Work Compendium

Ardent Partners

July 2019

Analysts:

Christopher J. Dwyer

Contents:

- 1 Executive Summary
- 1 The Future of Work...is Now
- 3 The Evolution of Talent
- 6 The Guiding Light of Innovation
- 10 The Transformation of Core Business Strategy
- 13 Conclusion: The Future of Work Awaits
- 14 Appendix

Across every geography and industry, the world of work is changing. Businesses are witnessing a multi-layered revolution of talent and technology that is changing the way enterprises operate. From how they distribute their workforces to their means of driving intelligence and better overall outcomes, businesses are experiencing an incredible shift. The Future of Work has become more than a concept; now, it is a movement that has dramatically transformed the day-to-day operations of the modern business. And, it will continue to transform them in the years ahead.

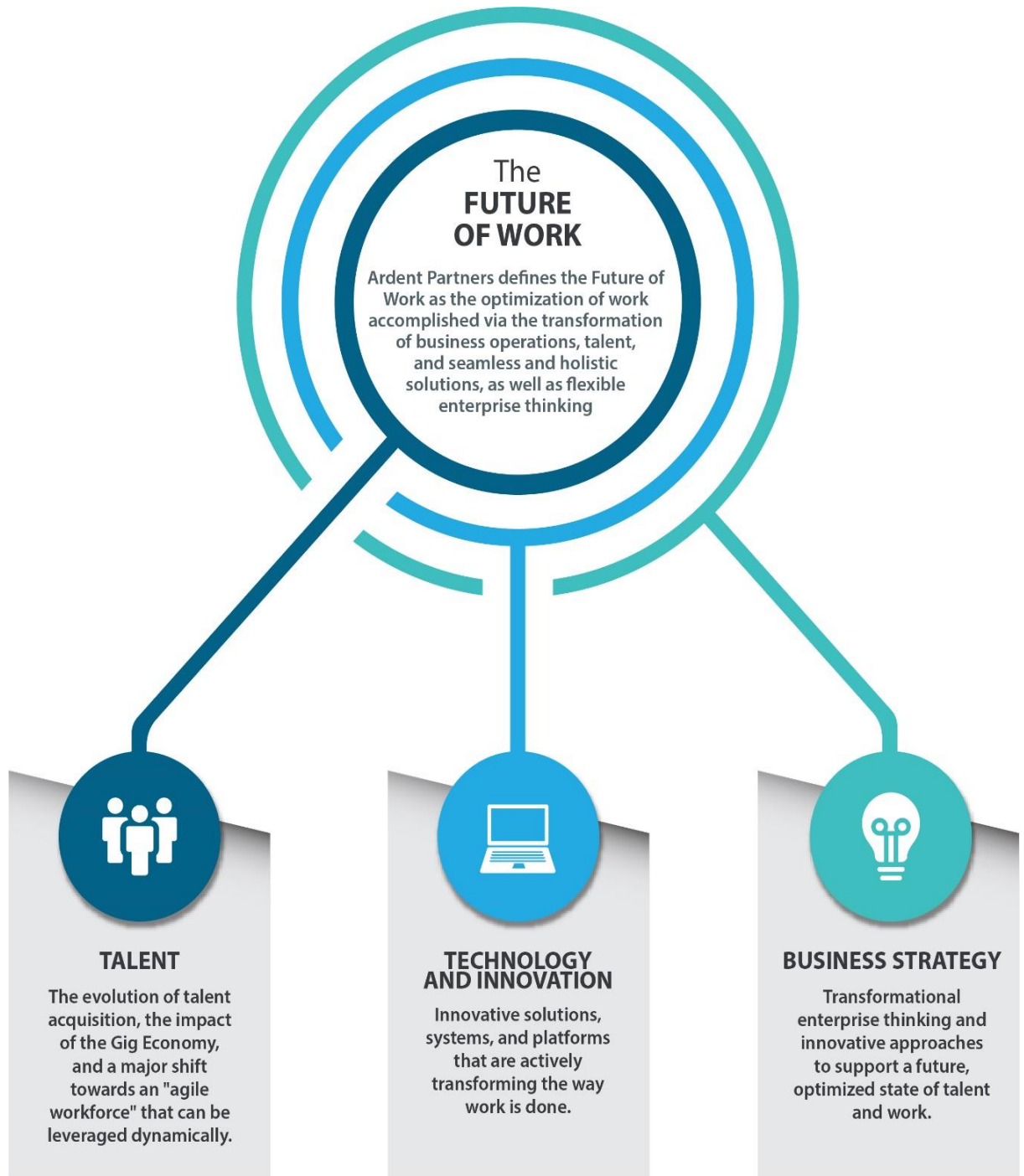
The Future of Work...is Now

“The future influences the present.” - Friedrich Nietzsche

Ardent Partners defines the Future of Work as *the optimization of work, accomplished via the transformation of business operations, talent, and seamless and holistic solutions, as well as flexible enterprise thinking*. At its core, the foundational elements of the **Future of Work** are all focused on the optimization of how work is done. And, this reflects the core of why the Future of Work has become such an important business consideration. Historically, procurement and human resources (HR)/human capital management (HCM) executives have been focused on myriad issues, ranging from budgets and cost, compliance with regulatory policies and guidelines, lack of visibility into core corporate finances, supply chain challenges, and so much more. While those matters remain ever-important to how a business operates today, enterprises must not only focus on merely surviving in these changing times, they must work today to ensure that they are able to truly *thrive* in the months and years ahead.

The Future of Work reflects the dynamic transformation of the contemporary business and has sparked a new focus on how work gets done from workforce, innovation, and strategic perspectives. In 2019, the vast majority of businesses (81%) are focused on achieving real business agility, which translates into pressing need for real-time, on-demand, and dynamic approaches to how they react to both traditional and emerging competitive challenges. As shown in Figure 1 (see next page), the Future of Work movement is defined by advancements, progressions, and innovations in three core areas: talent, technology, and business strategy.

Figure 1: The Future of Work, Defined



At its core, the Future of Work revolves around these three key components, each of which point to the ultimate goal of work optimization:

- ▶ **Talent.** There are incredible shifts occurring in the world of talent. Most significantly, 41.5% of the average organization's total workforce is comprised of non-employee labor, a figure that is nearly double what it was roughly seven years ago. Compounded by the desire for an "agile workforce" that can be engaged and leveraged dynamically, as well as the continued effects of the Gig Economy, today's talent is a key attribute of the Future of Work. Businesses crave scalability, top-tier expertise, and an on-demand workforce that can deliver in an efficient, effective, and cost-savvy manner. Simply put, the Future of Work runs on talent.
- ▶ **Technology and innovation.** Automation is the Future of Work's enabler, helping to transform the way business operations are linked from a systems perspective, how they disperse data and insights, and, ultimately, how they facilitate the management of projects, talent, work, and enterprise performance. From traditional platforms adapting to new business realities [e.g., contingent workforce systems, like Vendor Management Systems (VMS)] to next-generation technology [e.g., augmented intelligence (AI) and blockchain], the recent wave of innovation in this industry has enabled seamless and holistic opportunities for optimizing how work is done .
- ▶ **Business strategy.** Although the Future of Work is linked to technology advances, much of the execution on optimizing how work is done (which includes ensuring high quality and timely delivery) is inherently connected to human-led strategy. Transformational thinking, flexible attitudes towards work, and new focal areas within business strategy are the hardline linchpins for bringing organizations into the Future of Work. The "talent experience," inclusive business environments, and innovation-ready cultures all promote the ideal means of transforming how businesses develop forward-looking strategies in relation to "work."

"Work optimization" can be simply defined as the enhancement and augmentation of talent- and technology-led strategies for generating the maximum efficiency, value, and impact in how work is addressed and completed. These three areas represent the culmination of years of innovation, progression, and business shifts which are converging to assist today's businesses in getting work done more effectively.

The Evolution of Talent

Talent is almost always the precursor to real business success. An organization's talent is widely considered its top competitive differentiator, assisting businesses initiate new ideas and strategies, and, ensure success in the face of heightened competition and globalization. Nearly

75% of HR and procurement executives taken a talent-based approach towards work optimization, which essentially entails prioritizing workers, skillsets, and expertise ahead of other historical areas (such as costs and budgets). As detailed in Figure 2, this approach has birthed a series of key levers within the Future of Work movement.

Figure 2: Future of Work Focal Area: Talent

The FUTURE OF WORK

 Focal Area: TALENT



As discussed in Ardent's latest *State of Contingent Workforce Management* research study, the realm of "agility" has cascaded into the way businesses structure their workforces. In 2019 and beyond, businesses will continue to

strive for an agile and intelligent workforce that has the capability to address shifting market pressures and global challenges with top-tier, on-demand skillsets and expertise. As focus on the Future of Work becomes clearer, the shifts happening in today's workforce emerge as the key elements to work optimization and the achievement of business agility.

Across the wide spectrum of "talent," there are several facets driving the Future of Work:

- ▶ **Transformation of the worker "experience."** The "employee lifecycle" has come full circle; no longer are professionals beholden to traditional employment structures. On top of record-low unemployment rates, more and more businesses are finding that there is a real "war for talent" occurring and they must be prepared to fight it. The reality today is that more individuals have an ability to *do what they want* from a career orientation. This places more emphasis on the "talent experience," an amalgamation of the employee experience and overall engagement that strengthens the day-to-day ways that all types of talent work within their respective organizations (or on their respective projects). Since talent is a major competitive differentiator; worker experience is paramount to how businesses continue to attract the best available talent and derive the most from it.
- ▶ **Advances in talent acquisition.** In the context of talent, "agility" generally boils down to on-demand access to, well, *everything*. Pursuing an agile workforce promotes real-time access to talent via digital staffing providers (including talent marketplaces). This major progression in talent acquisition technology has allowed businesses to tap into talent in near real-time. Too, by embracing the so-called Gig Economy, more and more businesses understand that the independent professionals seeking "side hustles" can have an impact on critical projects and business objectives. What were once considered "alternative" work arrangements have become a standard means of getting work done today. As the Future of Work progresses, businesses will account for this shift and regularly rethink and restructure their talent acquisition strategies.
- ▶ **A new way of monitoring the effectiveness of talent.** While a worker's experience is a key factor in the talent engagement processes, the emergence of "soft skills" such as problem-solving, positivity, and critical thinking have become crucial factors in how enterprises monitor the effectiveness of its talent pool. And as businesses shift towards more project-based work, non-employee talent will become more critical to the average organization. This has resulted in organizations placing more emphasis on how workers (both FTEs and contingent labor) perform within specific projects/initiatives as a means of measuring true aptitude.

- ▶ **Diversity as a core focus.** Being open and inclusive of new voices, regardless of race, gender, or culture, is one of the best possible means for a company to expand the overall depth of its talent pool. The future success of any business is incumbent upon its ability to find, engage, source, and hire voices from all backgrounds and cultures. To better spark innovation, businesses should remove bias from their talent acquisition efforts as a means of boosting diverse hiring efforts, and, ultimately, ensuring that the depth of the overall talent pool is not limited in any capacity.
- ▶ **The next generation of skills.** Innovation is not just the bridge to the future, but also a pure reflection of how organizations must structure their workforces to account for work optimization advancements. As AI, blockchain, machine learning, and newer solutions become bigger pieces of the corporate technological architecture, it will be critical for businesses to have access to the specialized skillsets that are necessary in implementing and utilizing these solutions. The ability to reskill and upskill will be crucial for the future state of talent in businesses well into the next decade.

It is important to note that the generational shifts happening in the world of talent play critical roles in the Future of Work. As Baby Boomers (and Gen-Xers) exit the workforce, younger groups like millennials and Gen Z will bring their respective characteristics to the workforce. This interesting, generation-led shift is another indicator of the importance of talent in the Future of Work movement.

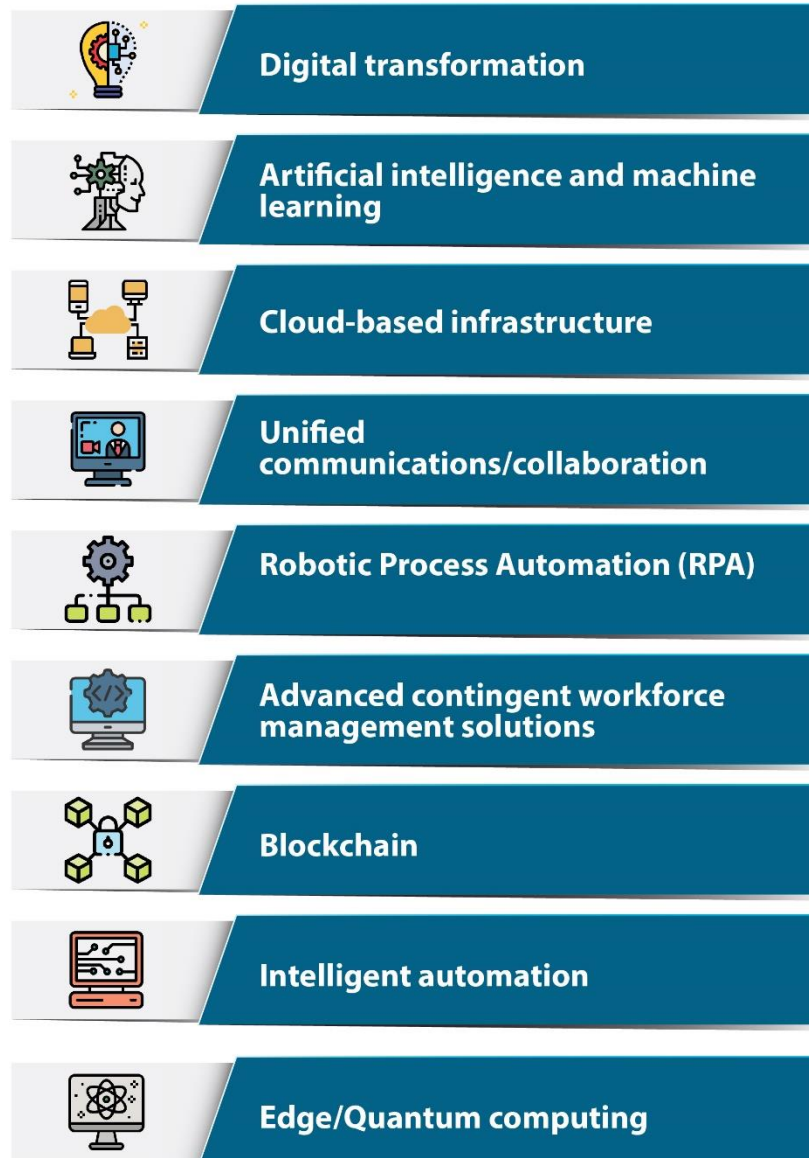
The Guiding Light of Innovation

Technology will always have a place in the pantheon of business history. Automation, along with strategy and culture, has long been a critical driving force for organizational success, making processes repeatable and scalable while driving down costs for businesses across the globe. As the Future of Work movement progresses, it becomes clear that innovation is what will drive its ultimate success. Technology is the “glue” of the Future of Work, as well as a foundational component in how enterprises build, scale, and repeat their process-oriented operations. As detailed in Figure 3 (next page), both digitization and innovation play crucial roles in the Future of Work.

Figure 3: Future of Work Focal Area: Technology and Innovation

The FUTURE OF WORK

 Focal Area: TECHNOLOGY AND INNOVATION



If there is one area of technology and innovation's role in the Future of Work, it is the realm of *digital transformation*. The “digital enterprise” is one that leverages the power of both traditional and innovative systems while providing functional stakeholders with a real, digital experience in regard to

process orientation, flow of data and intelligence, and access to resources (including talent). In order to achieve this state, businesses must execute a well-developed digital transformation plan that accounts for its technology, culture, and scope of specialized skillsets to adopt and implement new systems.

Figure 4 shows several key facets of digital transformation that businesses expect to pursue over the next 24 months. Seventy-one percent (71%) of businesses expect to develop significant interconnectedness between enterprise systems over the next two years, proving that core systems linkage is the foundation of the digital enterprise environment. Data must free-flow through all enterprise systems (including ERP, HRIS, financial automation, VMS, etc.) for maximum visibility and actionability. Nearly 67% of businesses expect to transform their business model to reflect digitization; this is a significant marker of the real impact of digital transformation, as a shift in business strategy, its product development, marketing, and other innerworkings, represents the modern organizational headspace. Businesses crave the scalability, dynamic responses, and power of digitization.

Figure 4: Digital Transformation Attributes (Next Two Years)

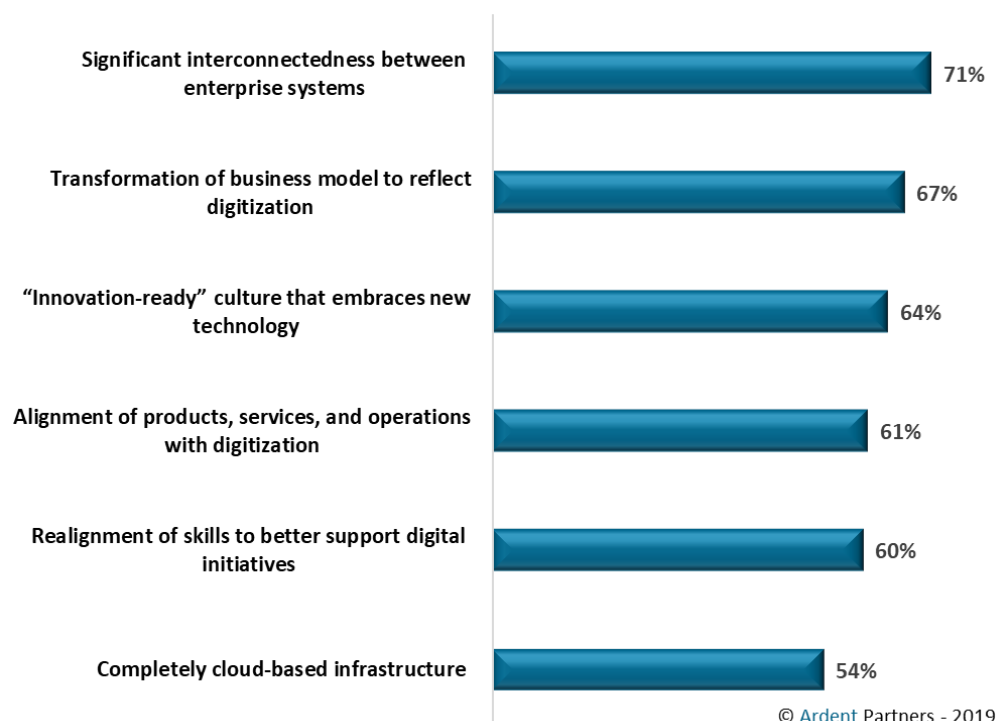


Figure 4 also highlights the expected achievement of an innovation-ready culture (64%). Innovation-ready cultures promote the adoption of new technology and embrace just how disruptive these systems will be over the course of the enterprise's future. Innovation-adverse cultures, on the other hand, are not open to the change that comes with digitization.

In addition to digitization and digital transformation, there are a deep array of innovations that promise to transform how work is done:

- ▶ **The age of AI.** Artificial (or augmented) intelligence is currently one of the world's "hottest" innovations, and a major catalyst for the Future of Work. Artificial/augmented intelligence outlets include automated, data-driven, and "smart" systems that are predictive, proactive, conversational, and analytical. They represent the convergence of a half-dozen composite elements – Big Data, algorithms, machine learning, natural language processing, speech recognition, and robotic process automation (RPA) – that when combined, have the "look and feel" of a system that mimics human cognition and communication. As the age of AI becomes a reality, businesses will continue to work to develop means in which AI can augment both strategic and tactical aspects of the organization.
- ▶ **Unified communications as a bridge to the virtual enterprise.** Unified communications is a catch-all term that refers to collaborative enterprise technology, such as chat systems/instant messaging (which includes "collaboration hubs"), conferencing software, and tools to increase cross-functional teamwork and productivity amongst the workforce. As unified communications become more ubiquitous, the age of the flexible enterprise will rise to prominence, enabling more and more remote teams of workers, projects, and collaborations.
- ▶ **RPA and intelligent automation = true digital scalability.** Robotic process automation is proving to drive tremendous scalability via bots working through specific enterprise APIs to automate various operational tasks. By machine learning to RPA capabilities, intelligent automation is not a mere entryway for repeatable processes, but rather a veritable "ecosystem" of autonomous operational actions that drives efficiency, value, and, ultimately, the optimization of work.
- ▶ **The evolution of core contingent workforce management (CWM) technology.** There is an inherent link between the non-employee workforce and the Future of Work; in order for businesses to truly grasp agility, it must reflect this dynamic state via its access to on-demand, top-tier talent. Contingent Workforce Management technology, such as VMS, has adapted and evolved to meet the shifting needs of the non-employee workforce. As contingent labor utilization grows in the months and years ahead, these solutions will help businesses make the great leap into the

Future of Work via their advanced workforce analytics, integration into other core talent management systems, and depth of both talent- and spend-focused functionality.

- ▶ **The (upcoming) transformation of computing.** While many discussions regarding innovation focus on software, there is also something interesting happening the world of *hardware*. Quantum computing can process and manipulate information and data exponentially faster and more powerfully than standard systems. Thus, it represents a way for the business of the future to optimize business outcomes and accelerate solving dynamic business problems in a much more efficient manner. While quantum computing represents a near science-fiction-based future of incredibly powerful problem-solving that is exponentially faster than commercially available hardware, this Future of Work attribute is still years away from disrupting the world of business.

The Transformation of Core Business Strategy

“Business strategy is the battle plan for a better future.”

- Patrick Dixon, author, business consultant, and futurist

There is a human element at play in the Future of Work that no artificial or cognitive solution could ever match. The “humaneness” of the average organization is perhaps the real reason why it will thrive as it enters a new decade, one of economic uncertainty, continued shifts in the impact of talent, and consistent progression of technology. To succeed in the next generation of business history, enterprise leaders must enact revolutionary thinking across the board: from how they perceive the depth of their talent, to how they structure the very organization’s core goals and objectives.

The transformation of business strategy is a core, human-led tenet of the Future of Work. As highlighted in Figure 5, there are wide-scoping facets of business strategy that signal a new age of work optimization.

Figure 5: Future of Work Focal Area: Business Strategy

The FUTURE OF WORK

 Focal Area: BUSINESS STRATEGY



The newfound focus on better (or ideal) business outcomes is a robust tenet of the Future of the Work. By focusing on the desired end result, businesses can harness predictive intelligence (like AI or machine learning), structure better organizational experiences, and ultimately improve the overall path to optimizing all aspects of “work.” This attribute is cascading into other ideals held under the transformation business strategy, which are highlighted in Figure 5 (above):

- ▶ **Developing a “stronger” business culture that promotes diversity and inclusion.** As stated earlier in this report, diversity is a core facet of the evolution of talent. However, the impact of diversity can be extended into other areas of the business through the development of an inclusive culture that is open to new voices and new types of thinking. In order for

businesses to manage the major shifts happening in the greater global marketplace, they will require innovative ideas from all sources within its workforce, its leadership, and its organization.

- ▶ **Total workforce management: from myth to reality.** In 2019, 41.5% of the average workforce is considered non-employee (including independent contractors, temporary workers, gig workers, professional services, etc.). As that figure approaches 50%, businesses will eventually realize that “total workforce management” (also known as “total talent management”) will become a necessity due to the fact that the enterprise workforce will rely equally on both FTEs and contingent talent. Total workforce management follows the programmatic means of acquiring and managing all types of talent under one centralized and standardized initiative by blending procurement, CWM, and HCM capabilities, systems, and competencies. Although total workforce management has long been considered a “myth” in the eyes of many, its “reality” is not that far off.
- ▶ **Flexibility becomes the new workforce and business standard.** Flexibility is not just a desired state of work for today’s talent, it is also an effective means of fostering a dynamic workplace environment that is brought together by unified communications and remote, project-based teams. Flexibility translates into “getting work done no matter the location” and promoting non-rigid thinking in how that work gets done. As new generations enter the workforce, they will crave flexibility in how, when, and where they work.
- ▶ **The age of intelligence makes its impact.** Data is modern-day gold for organizations. Data, and the perceptions gleaned from it, can be incredibly valuable and help businesses pivot to better business outcomes. This “age of intelligence” has come to bear, with concepts like data science leading today’s businesses to extract critical insights through multi-layered algorithms, data extraction techniques, and unique scientific methods. The power of data science is a key contributor in understanding how to make better decisions for tomorrow based on the insights of today.
- ▶ **Integrating human-led expertise and technology-led automation.** The job elimination long threatened by the emergence of AI, including RPA, is often exaggerated. These discussions are often predicated on fear and a lack of understanding of how these technologies currently impact the world of work. By integrating human knowledge and expertise with AI capabilities, businesses can harness the power from two distinct worlds for a blended and strategic approach towards ensuring high-quality work. The thought here is incredibly simple: the power of augmentation via AI and robotics, in the hands of human workers, can boost the overall strategic value of any project or initiative. Tactical tasks are finished or completed in less time, and the human mind will have its opportunity to do what it does best: *think*.

Conclusion: The Future of Work is *Here*

In 2019, businesses must reconsider the way they think about work. By prioritizing *how* work gets done, *who* is supporting it, and the technological elements that link these factors together, they can achieve a state of agility that is primed for optimizing the quality, efficiency, and productivity of work.

What is critical for organizations today is the holistic transformation of talent engagement/acquisition, the power of both enterprise technology and new and innovative platforms, and a reboot of how business strategy plays a role in addressing how work is done.

The opportunities for the businesses that attack this area remain large and expansive, while the inevitability of failure awaits those that neglect to respond and passively rely on the strategies of old. The Future of Work is *here*, and those businesses that embrace the critical changes within this movement will be the ones that thrive in the months and years ahead.

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).

Ardent Partners: Research with Results

Ardent Partners is a research and advisory firm focused on defining, and advancing the supply management strategies, processes, and technologies that drive business value and accelerate organizational transformation within the enterprise. Ardent Partners was founded in 2010 by Andrew Bartolini. Ardent Partners actively covers the supply management marketplace and produces research to help business decision makers understand (1) industry best practices and how to improve performance and (2) the technology landscape and how to identify the best-fit solution(s) for their specific budget and requirements.



Contact research@ardentpartners.com if you have any questions about this report or our research in general.

Industry Standard “Fine Print:” The information contained herein has been obtained from sources believed to be reliable. Ardent Partners, Ltd. disclaims all warranties as to the accuracy, completeness, or adequacy of such information. Ardent Partners, Ltd. shall have no liability for errors, omissions, or inadequacies in the information contained herein or for interpretations thereof. The contents expressed herein represent Ardent Partners’ best analysis at the time and are subject to change without notice.

© 2019 Ardent Partners, Ltd. All rights reserved. Reproduction and distribution of this publication in any form without prior written permission is forbidden. Solution providers and consultancies should take special note that Ardent Partners reserves the right to seek legal remedies including injunctions, impoundment, destruction, damages, and fees for any copyright infringement (which includes but is not limited to usage of any Ardent Partners content in company collateral, presentations, and websites) in accordance with the laws of the Commonwealth of Massachusetts and the United States.