



## Challenges and opportunities of the open talent economy

Read about how the on-demand workforce is impacting companies and independent professionals.

The open talent economy is altering the look and feel of companies across the globe. As the popularity of the on-demand workforce increases – driven by changing attitudes to work and enabled by technology – we are seeing notable changes to company cultures, office spaces, department structures, managerial styles and established job roles across the market. Whether you view these developments as positives or negatives is largely down to your needs and capabilities as an organization or worker. For companies and individuals that are open to change and innovation, there are many opportunities to embrace within the open talent economy. If you're tied to the old ways of doing things, you might feel out of your comfort zone. To keep up with the pace of change, you need to be open to talking about the opportunities and challenges you might face. Here are just some of them.

### **Businesses are becoming increasingly decentralized**

One of the most widespread implications of the open talent economy is the decentralization of businesses. With the rise of internet connectivity, smart technology and cloud storage, individuals are able to work remotely. This means that the central office hub is becoming less important to how businesses run. Freelancers can easily work from home, and even access the office system. You might see this as a disadvantage as you're not able to have direct, face-to-face contact with your employees. Alternatively, the cost savings are high, and freelancers are able to operate as efficiently as if they were in the office. According to the [Harvard Business Review](#), more than 1.3 billion people will work virtually in a few years.

With each generation comes a change in attitudes towards the workplace. The open talent economy has prompted a shift that sees new talent categorized as a valuable investment, rather than merely a number on the payroll. As an organization, you have the opportunity to access an endless pool of highly skilled experts, at the exact time you need them. A more mutual relationship is coming to exist between employers and workers, levelling out the playing field. Management will become focused on coordinating and collaborating with teams of independent professionals. Working in partnership, businesses and independent professionals will be able to work towards achieving business goals more efficiently. If you like the idea of rigid hierarchies, you might see this as a threat.

According to Seth Mattison, an expert on workforce trends and generational dynamics, getting out of this inflexible mindset is the biggest challenge facing employers as the employment market adapts. Many companies are bound by "unwritten rules" from years of doing business in a certain way. There is an expectation, for example, that employees start at the bottom and work their way up. But with the open talent economy, independent professionals are able

to enter the workplace based on their skills and expertise, and craft new opportunities for themselves along the way. This enables employers to make use of the talent available at that moment, rather than be bound by protocol. At the same time, a challenge will be learning how to manage this complex network of workers effectively.

### **Companies can craft an instant workforce**

One of the biggest advantages of the open talent economy is that it allows employers to fill skills gaps immediately, from a global pool of first-rate talent. It is arguably better to have access to an endless supply of talent than to have someone tied into a contract who can't do the exact job you need them to at that precise moment. The nature of freelance work means that the professionals are free to start immediately, unlike full-time employees that often have to work a notice period. Some companies might fear that on-demand workers might not be incentivized to 'go the extra mile' or feel the same sense of loyalty for their employer, but by carefully curating your talent pool, you can be sure that the independent professionals you employ are fully motivated.

### **Independent professionals are in charge of their own careers**

Freelancing is an attractive prospect to many professionals, and not just for low-level or alternative 'gig' jobs: white-collar workers are increasingly turning to freelance work for the autonomy and flexibility it affords them. Job security and long-term financial opportunities are no longer always guaranteed in full-time positions, so many professionals use freelance work for financial gains, increased flexibility, freedom over the work they do, and to open up opportunities within their areas of expertise. There are different types of freelancer – including independent contractors, moonlighters, diversified workers, temporary workers and freelance business owners – spanning a range of disciplines, from big data and trend analysis to project management and product development.

Among the many benefits that freelancers enjoy (the freedom to work from home, a better work-life balance, and the possibility of fewer travel costs, etc.), they also have an increased amount of responsibility over their own pension and financial security. Companies that employ freelancers do not have to pay any of the worker's Social Security, meaning the freelancer is responsible for the total amount. Some people argue that employers could use this to exploit freelancers – for example, if a company lays off employees only to rehire them in the same roles on a contractor basis (i.e. without the benefits) – but this is something that needs to be looked at more closely in the context of individual companies. In general, most freelancers are well paid and are attracted to the financial gains possible by working on demand.

### **Is the open talent economy right for your company?**

As with any development or trend in the market, there are pros and cons to the open talent economy. Yes, it will reshape your entire business and the way in which you work, but if implemented with an open mind and a solid strategy, it will also save you time, money, and resources. Just remember, you need to have everyone on board if it's going to work. Don't just dive in: get your teams, departments and directors together, and start talking about what an on-demand workforce could mean for your company, and how mindsets will need to change to accommodate it.

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