



How companies are reshaping recruitment through the open talent economy

Read about why a business-wide strategy is required to successfully utilize the open talent economy

Hiring new talent used to be a formulaic routine, and an expensive one at that. You might go directly to a recruitment consultancy with a job specification, or perhaps advertise independently, before your HR department sifts through countless applications and calls in candidates to interview. Your new starter would probably need to work a notice period, and then would likely need training once they started. After a lengthy, costly and inflexible process, you'd have an employee who you'd see every day, from nine until five, for years.

However, technology has now enabled significant developments in the way talent is hired and managed, helping employers keep up with the rapid speed of change and innovation in the employment sector. Employers can now connect with independent professionals instantly, assign them to the job that needs doing, and get them started almost immediately. The open talent economy allows employers and workers to operate on an on-demand basis, whether that's remotely or in the office. This is a necessity for many companies, as, with the volatility of demand and ever-faster innovation cycles, it's impossible to predict what skills you might need in the future.

What does the on-demand workplace look like?

Traditionally, there were two main types of employees: full time and part time. Though there is still plenty of room for these two within the on-demand workforce, you're increasingly likely to now see freelancers, contractors and open-source talent working alongside them. Here are different forms of talent that make up the on-demand workplace:

- **Balance-sheet talent:** This relates to full-time and part-time employees for whom you carry all associated costs. Fixed and on-demand workforces can work harmoniously together in modern workplaces, with management focusing on coordination rather than control. Even full-time positions are becoming increasingly destabilized, with flexible working hours, work-from-home days and remote working now widely accepted.
- **Borrowed talent:** It might seem counterintuitive, but borrowing and lending talent (contracted through another organization) is becoming increasingly commonplace. This allows you to utilize the experience of a professional within your company's value chain, without the hassle and expense of hiring from scratch.
- **Freelancers:** This relates to self-employed staff with a specific skill who can accept or decline work as they see fit, enabling them to develop their own working hours and rates. Freelancers pay their own taxes and Social Security fees, and typically work on an ad hoc basis.

- Open-source talent: This refers to online global communities of individuals who provide services for free. They are open to anyone who wants to participate in them.

Companies are using the open talent economy to varying degrees. Some organizations might have a pool of regular freelancers who they go to at the same times each year – the director of a quarterly magazine, for example, might bring in a freelance designer every three months to design the publication. Other companies, including Uber and Airbnb, rely solely on on-demand workforces. And some might simply utilize the open talent economy whenever an issue crops up within the company that requires fast, expert attention. Thanks to the rise of smart technology, the hiring process is quicker and more efficient than ever.

A mutual relationship between employers and independent professionals

The open talent economy redefines established notions of recruitment. Rather than the employer holding all the cards, there is now a mutual need for employers and independent professionals to seek each other out – in short, the on-demand workforce has a degree of autonomy. This is because these professionals are experts in their fields, or consultants, providing the exact skills that employers need at that moment. This ‘gig economy’ is not just for the working classes: according to the [Wall Street Journal](#), the demographic most influenced by freelancing is the professional and highly educated white-collar worker, attracted by the flexibility, opportunity and financial gains of on-demand work.

How can employers navigate the open talent economy?

The root of success for the open talent economy is undoubtedly technology. If it wasn't for smartphones and other internet-enabled devices, we wouldn't be able to connect with on-demand talent instantly, personally and accurately. But before you think about investing in technology, you need to work on your company's collective mindset. The open talent economy will change the way you do business: your workforce will become more collaborative, and your hierarchies destabilized. You might encounter a different team every month, depending on how you work. Just remember: being able to access world-class talent is far more beneficial than owning it. If your company can get past this mental hurdle, and think about [how you can integrate independent professionals into your team](#), you'll reap the rewards.

Utilising the open talent economy might also require you to reshape traditional ways of managing talent. For a start, your HR and procurement departments will need to converse, if not integrate, over matters involving the workforce. The budget for full-time employees is typically managed by the HR department, with procurement taking charge of the consulting budget, but nowadays the business needs to be considered as a whole. If you're not convinced about the cost-effectiveness of the on-demand workforce, just think beyond salaries: if you consider all the costs associated with your employees, such as recruitment, training, social security and idle time, the open talent economy can bring you multiple cost savings.

Lastly, you need to understand your candidates and how they promote their services. A [PCG report](#) found that recruitment agencies are popular with freelancers and business leaders, with 62% and 58% respectively choosing this path. But just 2% of businesses search for freelancers via LinkedIn, despite the fact that one in five freelancers promotes their services on the platform. This shows that there is a discrepancy in where businesses look for the right skills, and where freelancers showcase themselves. With platforms like a-connect curating your talent pool, you'll always have access to the professionals you require.

Here at a-connect, our independent professionals are highly experienced and have track records in transforming businesses through their areas of expertise. [Contact us](#) today to find out how your company could make the most of the open talent economy.



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