



# The Tech Talent Strategy for Modern Times

Leveraging your workforce to innovate  
and respond faster to change

upwork™

# IT Leads the Way for Business Continuity

The current landscape is forcing technology teams to lead businesses headlong into digital transformation, as companies adapt to what global research analyst Josh Bersin describes as “an explosively fast business transformation” across the global economy.

Adding to their pressure, CIOs must lead the charge during a pandemic and recession, which requires them to deliver more advanced work with fewer people, smaller budgets, and team members working from different locations.

Yes, it's a demanding task, but it's not impossible. Tech leaders are successfully driving business continuity and transformation despite rapid change and volatile uncertainty.

How? By becoming adept at leveraging talent and technology to create near-unlimited capacity and spin up highly skilled teams as quickly as business needs shift.

This ebook shows how leaders are creating a tech staffing model that is flexible enough to meet current and future needs. It's a model used by the engineering team at Upwork, and many of the largest tech companies, to continue innovating in the face of change.

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# Pushed to the limit

Widespread business shifts are straining IT teams



Perhaps no IT team has ever claimed to be big enough, but recent business shifts are causing even the most best-resourced teams to scramble. As businesses move 100% online, it's putting a massive strain on tech teams, and the strain is showing.

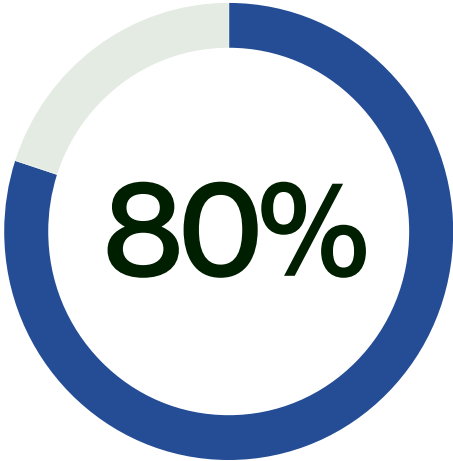
Besides testing the limits of existing infrastructure, the current crisis has tech talent working around-the-clock as companies look to tech for new ways to facilitate productivity and future-proof their business operations. Here are some of the most common challenges pushing tech teams to their limits.

# Urgency to transform digitally

Companies understand that to digitize is to survive, which makes digital transformation (DT) a top business priority. Businesses can't afford to drag their feet, as even tech giant Microsoft has "seen two years' worth of digital transformation in two months," says company CEO **Satya Nadella**. The race toward DT is further propelled by:

## Cloud Platforms

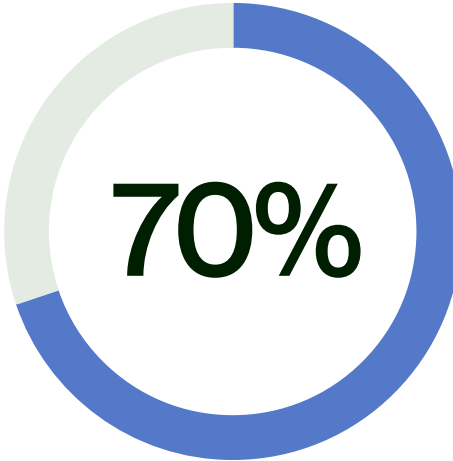
Businesses are adopting platforms that keep employees connected, communicating clearly, and productive as remote work continues even after offices reopen.



of business leaders will permit flexible work options

## Cybersecurity

Security has always been a top priority for CIOs, but digitization and remote work opened a Pandora's box of cyber vulnerabilities.



of CIOs expect to increase security spend

## Data / AI / ML

Data management and data integration are critical, as they both help integrate data to the cloud, which enables the analytics needed to support AI applications.

# 6 in 10

businesses will have AI or advanced automation tools in their tech stack by 2022

# Must do more with smaller budgets

Depending on whom you ask, tech budgets either are being cut or will grow. One [Xerox study](#) shows 56% of companies will grow their IT budgets to make tech investments that move business forward. Then again, a [PwC Pulse Survey](#) shows 53% of CFOs are considering cutting IT expenses.

It's probably realistic to expect spending cuts, but where budgets may remain protected are for tech initiatives that align with business objectives. [Amity Millhiser](#), PwC's chief clients officer, says, "CFOs in our survey ranked digital transformation and customer experience investments much lower on the list of potential cuts than IT, general CapEx, and even workforce. They realize the importance of such investments to future competitiveness."

## Hiring slowed or stopped

The first two months of 2020 began with [33,500](#) new tech jobs, but the gains were quickly erased after COVID-19 closed down the economy. For the first time in years, [tech postings are performing worse](#) than the overall job market. Even the most sought-after skills aren't immune: Data scientists saw a 43% drop in jobs, and artificial intelligence/machine learning jobs fell 29% compared with last year.

[Widespread hiring freezes](#) may begin to thaw once the economy rebounds, but the [economic forecast](#) suggests it may not happen for some time yet. While the outlook remains uncertain, many companies are understandably reluctant to add headcount and make long-term plans.





# Future-proofing for tomorrow while planning for today



Tech efforts during and after the pandemic can be divided into three phases: stabilize, optimize, and revitalize. In the first two phases, tech focuses on tasks that support employees working from home, meet new customer demands, and transition to virtual business models. In the revitalize phase, tech takes the business forward by innovating ways to help the business become more competitive and grow.

The objectives may differ in each phase, but the core technologies used will mostly be the same: cybersecurity, cloud computing and platforms, and emerging tech including AR, AI, and VR.

CIOs might know what tech they'll use, but they still must plan for long-term needs as technology continues evolving faster than the workforce can keep up. What's more, each phase requires a different concentration of skill sets. For example, setting up employees to work remotely in the short term is fairly easy with the help of remote tools such as Zoom, Google Workspace, and Slack. However, preparing your infrastructure to support a fully digital workforce includes a new set of skills to address infrastructure to virtually support things such as workflow, onboarding, and company culture.

# See work differently

How CIOs are pulling through staffing challenges



An increasing number of CIOs are seeing work differently, which opens the door to embracing cost-effective talent solutions. These solutions can be adopted by businesses of any size to remedy talent shortages and meet tight deadlines.



# Divide work into goal-based projects

Work is being prioritized by what's most urgent, based on its impact on the company's goals and objectives. For example, instead of carrying out a large-scale migration, a company may migrate core applications that improve customer support and maximize cost savings. Teams are also using flexible talent to test new ideas and prioritize innovation projects with less risk, as CompuVision does:

“In the traditional world, you must build out a team before testing an idea. But before we could do that, we'd have to do a lot of analysis to decide whether we have to hire more people, if we want to do the project, or if it will even work.”

“In the current world, we can reach into the talent cloud to contract specialists from around the globe to test several ideas at a time. When we find something worth building out, we may assemble a hybrid team of employees and talent to create the product. The flexibility to try things quickly before having to really go deep into it has been really valuable.”



**Ryan Vestby**  
CEO, CompuVision

# Focus on skill sets, not job titles



CIOs are viewing their entire workforce, both internal and external, as a single, holistic resource of specialized skills—skills that are agile, adaptable units of knowledge that can be popped into a project when, and for as long as, particular expertise is required.

This flexibility enables leaders to assemble and disassemble hybrid teams of employees and independent talent on demand. Job titles become less relevant as workers move from project to project providing the right skills to the right project at the right time.

# Treat external talent as partners



In order for hybrid teams to work effectively, businesses should avoid treating external professionals as second-class help who are brought in only to get transactional work done. Strategy-minded leaders view independent talent as highly skilled, on-demand extensions of a team who can also be called upon to perform large, complex, strategic projects.

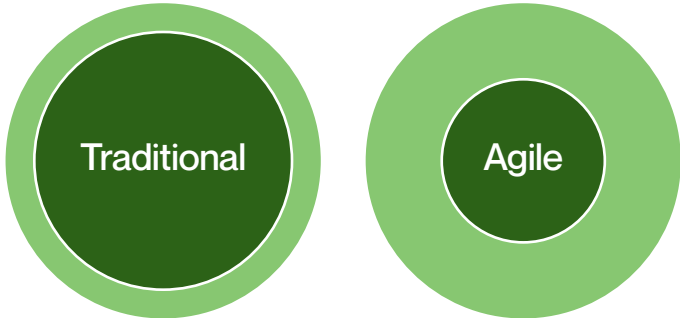
Teams that nurture long-term relationships with top independent professionals can expect to perform better. The relationships provide teams with not only a reliable talent bench but also one that knows the business so well, it can jump into projects and be productive from day one.

# Align employees with core work

To operate with greater efficiency, teams are splitting work by what's core to their business and what's on the peripheral. In the traditional model, the vast majority of work is delivered by core team members (employees) and a thin layer of work is performed by on-demand talent.


## Core-Peripheral Talent Models

The agile model reverses this by having the majority of work done with on-demand talent. The agile model is widely used in Silicon Valley to keep employees centered on work that's critical to their roles, so that every internal and external person optimizes their time and productivity by working on what they do best or only they can do. The model also enables teams to adapt quickly to change without having to constantly reskill employees.



- Core Talent
- Peripheral Talent

“The business climate is more dynamic than it’s ever been. Nearly everything is online, which accelerates the pace of change so much that the business changes faster than your full-time workforce can. You really need on-demand talent to respond and keep up. Talent platforms like Upwork enable you to not only tap into experts from all over the world but also learn from them and kind of expand your core competencies.”



**Mike Shwe**  
Technical Program Manager, Google

# PGA of America finds rapid prototyping solution

The engineering team at PGA of America was tired of being caught between risking their timelines to impress stakeholders and ignoring new ideas to maintain their strategic roadmap. Then they figured out a way to stop choosing timelines over testing.

When the team has a new idea, they contract talent to test proof of concept while team members remain focused on higher-value projects. This provides a quick and cost-effective way to prove an idea will extend capabilities before investing internal resources into it.

The solution not only extends capacity, but it also enables the team to provide better service to business partners because they can say yes to more projects—and deliver them faster.

“Independent talent changed how we handle development.”

**George Whitaker**

Director of Software Engineering,  
PGA of America

## Results:

- Keep up with rapidly changing technology
- Deliver projects 3x faster
- Test ideas with less risk
- Complete projects at 50% savings



# 3 ways to access tech talent



A CompTIA survey shows 72% of businesses rate technology as a primary factor in reaching business objectives. But tech is only beneficial when businesses have the people to implement and support it. CIOs dealt with skills gaps for decades, but the gaps are wider now that many teams are functioning with less than full headcount as businesses cut costs to ride out the recession.

More than in times past, leaders and hiring managers must become adept at leveraging their entire workforce to increase responsiveness and productivity. This necessitates knowing when it makes the greatest business sense to hire, reskill, and contract talent. Below are how the options compare.



# Hire new employees

Although the economic downturn caused thousands of layoffs in Silicon Valley, companies are still hiring full-time employees. Hiring full-time employees may make sense when you have an immediate and ongoing need for a specific skill set.

## Pros

- Increases competitive advantage if tech is the company's core competency
- Expands promotion opportunities for employees
- Enables training in keeping with company culture

## Cons

- Must have the money and time to recruit, hire, onboard, and train
- Can't guarantee that what a person is hired for is what they'll be doing in six months or a year
- Fluctuating business needs may not warrant a full-time employee

# Reskill/upskill employees

Reskilling became a concern in recent years as advances in automation and AI made leaders question whether their workforce was qualified to propel business forward. The pandemic stepped up reskilling effort as employees must now navigate changing work conditions and handle different (and often more) tasks.

## Pros

- Increases employee retention
- Reduces turnover costs (e.g., layoffs, loss of production, hiring)
- Boosts morale
- Future-proofs workforce to build business resilience and remain competitive
- Eager talent pool
- Allows company to train according to its needs

## Cons

- Capital intensive, not cost-effective for small companies
- Time-consuming, can't gain skills as fast as needed
- May be difficult justifying training costs, as the half-life of a skill is five years
- Hard for employees to find time for reskilling
- Requires detailed future resource planning, as skill sets don't flex readily to changing needs
- Longer learning curve
- Limited talent pool
- Inexperienced team
- Tech may evolve faster than employees can keep up

# Contract Talent

Before the pandemic, most teams (84%) said they would delay, cancel, or extend project workloads if unable to contract independent talent. While fallout from COVID-19 continues upending the economy, reliance on contracted talent is “at a premium due to uncertainty among employers who still need to progress things but aren’t so keen to take on permanent staff in the current climate,” says **Bev White**, chief executive of recruitment consultancy Harvey Nash.

A **tech trends survey** shows a majority of firms (72%) who regularly rely on contracted talent report excellent or good ROI. The two most popular ways to access outside experts are through a staffing agency and through online talent platforms. Here’s how they compare:

## Staffing agency pros

- Increase agility and flexibility
- Provide specialized knowledge and expertise
- Reduce recruiting burden of HR or procurement

## Online talent platform pros

- Increase agility and flexibility
- Provide specialized knowledge and expertise
- Reduce recruiting burden of HR or procurement
- Average time to fill: 1 to 3 days
- Large, worldwide talent pool
- Save 30% to 50% on average
- **Higher-quality talent matches and deliverables**
- Transparency in the hiring process
- Talent is experienced at and set up to work remotely

## Staffing agency cons

- Average time to fill: 20+ days
- Up to 80% markup
- Inconsistent talent match accuracy
- Talent works onsite
- Limited to local talent pool
- May require more security processes

# Should you hire, reskill, or contract?

		Pros	Cons
Full-time employees	Hire	<ul style="list-style-type: none"> <li>• Increases competitive advantage</li> <li>• Expands promotion opportunities</li> <li>• Allows for training to company culture</li> </ul>	<ul style="list-style-type: none"> <li>• Expensive and time intensive</li> <li>• Needs may change in a few months</li> </ul>
	Reskill/ upskill	<ul style="list-style-type: none"> <li>• Increases retention</li> <li>• Reduces turnover costs</li> <li>• Boosts morale</li> <li>• Future-proofs workforce</li> <li>• Eager talent pool</li> <li>• Can train to company needs</li> </ul>	<ul style="list-style-type: none"> <li>• Capital intensive</li> <li>• Time-consuming</li> <li>• Skill half-life is 5 years</li> <li>• Employee must find time to train</li> <li>• Requires detailed future resource planning</li> <li>• Longer learning curve</li> <li>• Limited talent pool</li> <li>• Inexperienced team</li> <li>• Tech evolving too fast</li> </ul>
Contract talent	Staffing agency	<ul style="list-style-type: none"> <li>• Increases agility and flexibility</li> <li>• Provides access to specialized skills</li> <li>• Reduces recruiting burden</li> </ul>	<ul style="list-style-type: none"> <li>• Time to fill: 20+ days</li> <li>• Up to 80% markup</li> <li>• Inconsistent talent match accuracy</li> <li>• Talent works onsite</li> <li>• Local talent pool</li> <li>• Limited control over work</li> <li>• Security processes</li> </ul>
	Online talent platform	<ul style="list-style-type: none"> <li>• Increases agility and flexibility</li> <li>• Provides access to specialized skills</li> <li>• Reduces recruiting burden</li> <li>• Time to fill: 1 to 3 days</li> <li>• Large talent pool</li> <li>• Up to 50% savings</li> <li>• Higher-quality matches</li> <li>• Transparent hiring process</li> <li>• Talent works remotely</li> </ul>	<ul style="list-style-type: none"> <li>• Limited control over work</li> <li>• Remote work security processes</li> </ul>

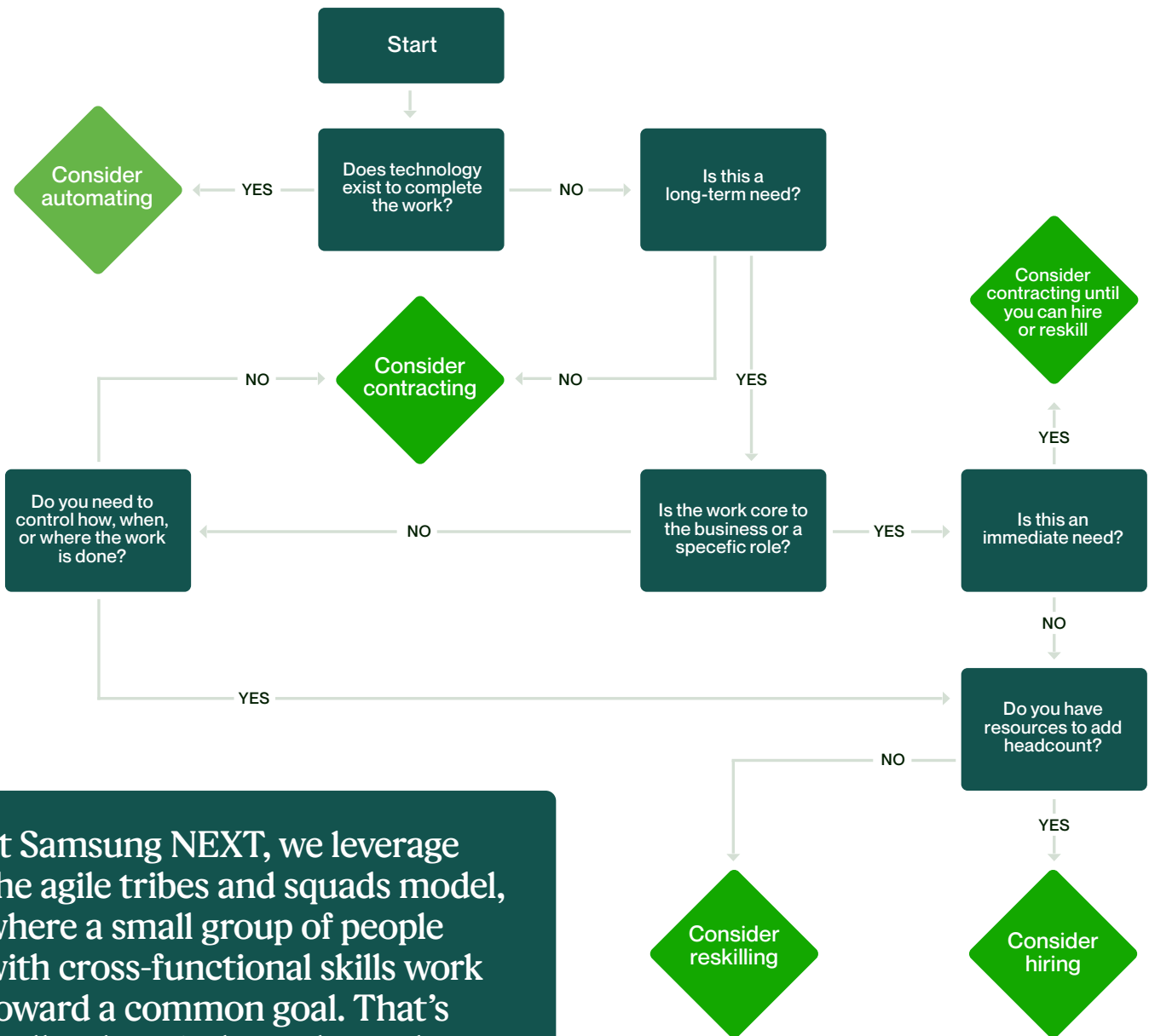
# Speed at scale



## Deciding who should do the work

Technology teams “need to be nimbler and faster to respond as things change unpredictably,” says former CIO [Wayne Sadin](#). Speed is enhanced when leaders stop thinking about work as what someone in a specific role should do. Instead, they think about work based on the outcome desired.

From this outcome-based work mentality, project teams are purposely designed to produce desired outcomes that are delivered by the desired time.



“At Samsung NEXT, we leverage the agile tribes and squads model, where a small group of people with cross-functional skills work toward a common goal. That’s really where independent talent thrives: They provide the ability for companies to tap into a variety of different skills and quickly bring together a team. This is core to how we build up our tribes and squads model to both move very quickly and scale into bigger projects.”



**Travis Bogard**

Former SVP Product, Samsung NEXT



# Getting talent faster

Remote work increases access



After months of working during a pandemic, there's little doubt that remote work works. To save money on maintaining offices and honor employee preferences, tech-based companies such as Twitter, Upwork, and Google are transitioning to remote-first or giving employees the option to continue working offsite after offices reopen.

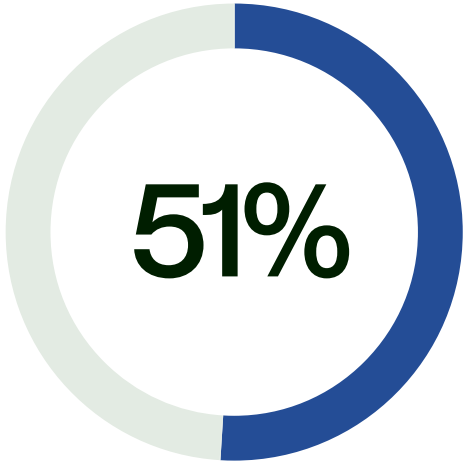
Companies will more than double their remote plans over the next few years. The growing acceptance of people working from anywhere is increasing talent access in two ways:

**01** It's widening the talent pool.

Leaders can search for skills outside their locale, which can be a huge advantage, as many tech companies are located in large city centers where in-demand talent may be not only difficult to come by but also expensive.

**02** It's improving access to talent.

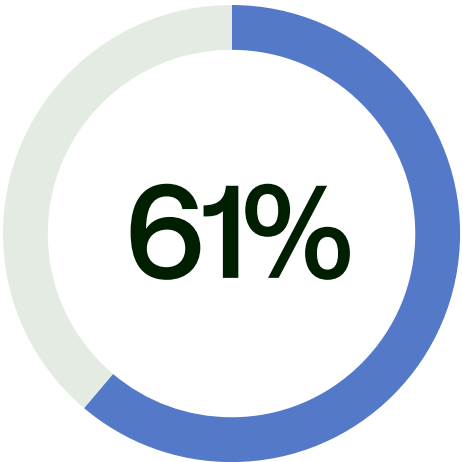
When businesses engage remote talent, they can use technology, such as online talent platforms, to quickly source specialists directly, on an on-demand basis.



of hiring managers would consider using an online talent solution to engage independent talent

# Online platforms vs. staffing agencies

Traditionally, when tech teams had talent gaps, they called their staffing agency. But that practice was more out of habit than effectiveness. Before the pandemic struck, most hiring managers (61%) were already disappointed with their staffing agency.



of hiring managers are not fully satisfied with their staffing firms

More businesses are cutting out the staffing middleman by using talent platforms, such as Upwork, to find talent directly. This may seem to require managers to do more work, but according to an [Oxford study](#) hiring managers say online talent platforms are so efficient that they require less administrative time. Cost, quality, and time to fill were ranked as the biggest pain points of using staffing firms

Since hiring managers often understand a project's requirements more intimately than an agency, the study found that self-sourcing also results in more accurate talent matches and higher-quality work. Managers also gain greater flexibility, as they can engage talent for only as long as they need to scale up and down quickly.

# Companies benefit by using talent clouds to omit the staffing middleman

	Traditional Staffing Firms	Flexible Talent Solutions
Average time to fill	20+ days	1-3 days
Costs	Up to 80% markup	Average 30-50% savings
Net Promoter Score (NPS)	-2	66*

\*2019 NPS score for Upwork

“The speed and flexibility in accessing skills through Upwork is a huge advantage for us. In the past, we were heavily constrained by the number of people within the IT team. It’s liberating to know that now we can scale and build our team dynamically as needs indicate. That’s hugely powerful. It helps me sleep at night knowing I can tap into a huge network of global talent as needed.”



**Conal Gallagher**  
CIO and CISO, Flexera

# Conclusion

After years of talent shortages and scrambling to keep pace with evolving tech, CIOs have long struggled to find a talent model that can nimbly meet current and future skills demands. The thing is, the answer was available all along.

It took a pandemic to open businesses up to seeing work for what it is: a bunch of outcomes. The goal is to achieve outcomes, not fill seats. Where the work is done and who does it depends on what's most effective for the business.

This is a time for CIOs to step back, rethink what's possible, and ask: What skills do I need to achieve these outcomes? What technologies and people are available? How can I get the best work out of my entire workforce?

When work is seen from a new perspective and executed using a flexible core-peripheral talent model, it creates tremendous tech agility. This isn't just a way to protect business. It's a responsive talent strategy that helps CIOs meet people where they are while growing the business for the long term.

## About Upwork

Upwork is the world's largest work marketplace connecting millions of businesses with independent talent around the globe. We serve everyone from one-person startups to 30% of the Fortune 100 with a powerful trust-driven platform that enables companies and freelancers to work together in new ways that unlock their potential. Our talent community earned over \$2 billion on Upwork in 2019 across more than 8,000 skills, including website and app development, creative and design, customer support, finance and accounting, consulting, and operations.

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