



# Why HR Needs a 360-Degree View of Talent

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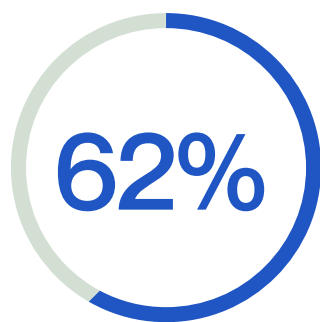
# As businesses modernize their talent strategies and leverage independent professionals to complement full-time employees, they must effectively manage their expanding talent pool. Companies generally have an accurate picture of employee counts, internal skill sets, tenure, and team structures, but they also need to have an understanding of their non-employee talent.

When it comes to the full talent landscape, however, some HR leaders see a minefield instead of an opportunity. Alarm bells sound when a company's talent mix has full-time employees and engagements with contractors, independent professionals, and agencies. Questions arise about what territory belongs to HR and what belongs to procurement. An internal identity crisis bubbles up over what it means to be a modern HR team, an HR leader, and who should be responsible for what.

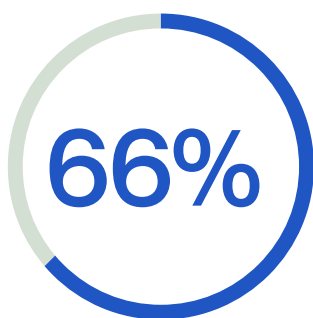
This is a significant juncture for businesses and a career-defining moment for HR professionals. It's a fork in the road between stagnation and innovation, and it's an opportunity for HR leaders to distinguish themselves among the pack of HR professionals.



# How companies are handling the talent landscape



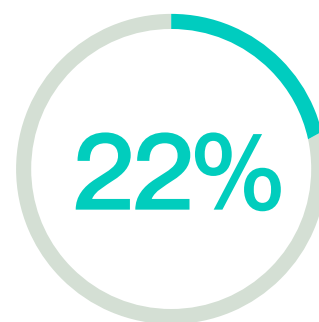
of organizations are engaging on-demand talent



of organizations say they plan to increase their use of on-demand talent



of those surveyed say hiring on-demand talent falls outside of normal HR responsibilities



of those surveyed say procurement should handle on-demand talent hiring

## The full talent landscape

To understand how companies are handling their talent landscape we surveyed 1,000 leaders—500 HR leaders and 500 other C-suite executives—across companies in December 2022. The survey revealed that the majority of organizations utilize both full-time and independent professionals. In total, 62% of organizations are engaging on-demand talent and this number is even higher for larger organizations. What's more, this practice is only poised to grow in the next five years. When asked about plans to use more on-demand talent in five years, 66% of organizations say they plan to increase their use.

Although a large portion of businesses use a mixed talent model, nearly one-third are not using their talent landscape to its full potential. When asked about who primarily handles hiring and administration of on-demand talent at their organizations, 31% say that this responsibility falls to functions other than HR. The most common owner outside of HR falls to procurement, with 22% of organizations stating that procurement is responsible for the on-demand talent.

Some view on-demand talent only as a business service that should, therefore, fall under the management of procurement, but this practice can hold businesses back. Although procurement is a key component of a successful business, its leadership and strategic design purview should extend to goods and services, not necessarily people. Independent professionals should not be treated or accounted for in the same way as commodities, but rather, like contributors to company projects. The job of resourcing people, including independent talent, belongs to human resources.

Beyond just the definitional purview of each department, businesses that leverage HR to oversee all types of talent will be more successful in the long haul. Unifying the talent landscape will allow for improved strategic resource planning, greater adaptability, agility and scalability, and a stronger, more diverse culture.

## Strategic planning

A strategic resource plan is not made in a vacuum; it is dependent on human resource allocation. HR leaders who want to deliver the most for their organizations must plan with a holistic view of talent in mind. This means taking an overall talent and skills approach to the way that they look at staffing levels.

HR teams that are responsible for their entire workforce have the ability to fill gaps: in teams, in skills that the business is missing, in growth areas, and even in strengths that leadership may be lacking. They can see how all work is getting done, determine what skills are lacking, and deploy the talent from any source available.

“When HR only has insight into full-time positions, it’s like wearing blinders. They see only a fraction of the talent available to them. The most effective leaders will incorporate even what’s historically been in their peripheral view and access any and all talent in order to maximize the core,” says Tony Buffum, Vice President of HR Client Strategy at Upwork.

Consider a scenario where a company’s key initiative is to drive brand awareness. When mapping how to support that initiative, HR identifies that the business doesn’t have all of the skills needed to help adequately achieve the goal. If this HR

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department has scope that's limited to full-time employees, their only option may be to decide that they must open headcounts on the marketing team and decrease headcount from another area, say, sales enablement. This scenario leaves a sales enablement team that will now be under-resourced. The situation makes current employees feel burnt out and under appreciated. The marketing team is strained throughout the long hiring processes, and a potential hiring mistake could result in costly risk.

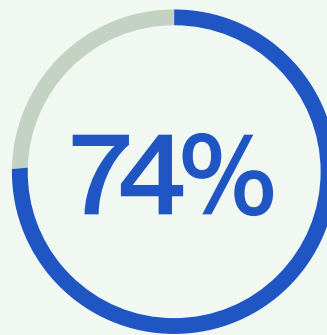
Imagine that same scenario, but the HR team also has control over utilizing on-demand professionals. HR can now look to talent outside of their headcount allocations and evaluate the organization's needs from a talent access mindset. Instead of resorting to headcount adjustments, the better solution may be leverage a fractional team of on-demand professionals. This allows for the company to access the skills needed to achieve their overarching goal, while not making one-to-one headcount sacrifices or spreading more work across fewer team members.

This expanded scope allows HR teams to have insight to deploy all tactics in strategic planning in order to yield better results for the company, and not make each talent decision an all-or-nothing trade-off.

## Greater adaptability

If the past few years taught businesses anything, it's that unpredictable circumstances are to be expected. For times where strategic plans are impacted due to unforeseen situations, the ability to adapt (and quickly!) is critical.

Even starting off 2023, nearly three-quarters (74%) of leaders say there will be a recession and they're concerned about its impact on their organizations. An adaptable strategy can be the



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difference between meeting company goals or being paralyzed in the face of external unrest, like in an economic downturn.

For HR teams that don't consider a full talent landscape, drastic steps are sometimes the only option to prevent failure. Common workforce strategy changes that managers say they anticipate using in an impending recession include: hiring freezes (54%), layoffs (20%), backfill-only policies (18%), and selective hiring (26%). While these may help to bring about cost management stop-gaps for the business, the spillover effect is massive. Besides the internal impacts that layoffs can cause, this level of unrest can also allow competitors to capitalize on opportunities.

When HR is able to flex their resources up or down by leveraging on-demand professionals, a new set of options is available even in uncertain conditions. This flex widens the option set that's available to HR leaders in order to meet their business needs.



## Stronger brand and culture

Finally, HR teams that want to lead into the new era should focus on the talent brand and the value that corporate branding brings to the business. While this is likely obvious to HR professionals, what some don't consider is that the brand is shaped by everyone who comes into contact with and interacts with the company. This means that all professionals, including on-demand talent, influence how the world views the business.

With workforce trends like the Great Resignation, the Great Disengagement, along with an unprecedented level of transparency via opinion-sharing and rating websites, a company's talent brand is increasingly important. Professionals are seeking out companies that align with their own values and how work fits into their own lives. This is likely a factor as to why 60% of all hiring managers say that hiring today is difficult, and 46% believe it will also be difficult five years from now. At the same time, over two-thirds (67%) of leaders say that it's harder to retain employees than it has been in the past.

Key tactics to attract and retain professionals starts with how talent is treated within the organization. For full-time employees, this can mean providing teams adequate resources and giving opportunities for personal and professional growth. HR that wants to have an impactful talent brand should also consider strategies to ensure on-demand professionals have a positive interaction with the company throughout their engagement. Prioritizing the processes for onboarding, providing feedback, seamlessly communicating with key partners, and offboarding for all talent can make for an impactful experience.

Organizations that are incorporating how all talent—including contractors, agencies, temporaries, and others—factor into their employer and talent brand will likely see a ripple effect of their efforts across all talent pools, and ultimately attract more full-time talent as well.

## Conclusions

Technology is rapidly evolving and changing the way talent can engage with companies. Talent strategies need to evolve with it, integrating new ways to access talent, rapidly identifying and deploying new skills, and scaling flexibly with new business challenges and opportunities. Modern HR leaders have an opportunity to embrace these changes and build holistic and dynamic solutions to meet business needs, leveraging all of the talents and capabilities available, not just full-time headcount. HR can lead this change by taking responsibility for Human Resources available, collaborating with cross-functional leaders, (including procurement), and developing a complete workforce strategy focused on needs and skills instead of just “butts in seats.”

To learn more about how to manage your full talent landscape, visit <https://www.upwork.com/enterprise/>.



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