

The emergence of Total Workforce Management

Challenges in managing permanent staff & contingent workers

In today's economy there have been developments that significantly changed the way employer and employee view and participate in their professional life. Having a full-time job at a single employer has been the norm for decades, but nowadays organizations do not solely hire employees on the basis of a fixed term contract. Flexible, part time and contingent workers are part of the engine of success of modern, multinational organisations. Hence, there is a growing organizational need to formulate an approach how to centrally manage the total workforce, which includes contingent workers on the one hand and traditional employees on the other (Ardent Partners, 2017).

In this whitepaper we will first discuss the concept of Total Workforce Management (TWM) and the trends that have led to the emergence of TWM. Moreover, we will highlight several benefits and stakeholder challenges in the implementation of this model, as well as our approach and vision to this topic.

One system, process and vision

Total Workforce Management (TWM) is an emerging model that brings together the recruitment of permanently hired employees and hiring of flex workers and self-employed. TWM, which is managed through one IT system, organizational process and vision, includes several main themes, such as Total Talent Acquisition, Technology and Exit Management (Zipconomy, 2017).

As TWM covers a wide range of activities, there are different approaches to the implementation of this model. Also, there are variables, such as organizational design, complexity and financial resources, that determine whether an organization is capable of implementing TWM in the first place. In practice, this means pioneers have formulated one policy for recruitment, training and offboarding, while upcoming 'adopters' focus only on e.g. integrating recruitment processes. Hence, there is no uniform approach to TWM, but the ultimate goal remains finding and retaining suitable talent at the right cost.

The emergence of TWM

Different external developments have accelerated the emergence of TWM. First of all, globalization requires organizations to run their processes very efficiently. Besides, as companies and industries are subject to change, job requirements are heavy and constantly changing.

TWM is at the early stage of adoption, as

58%

of organizations have plans for implementation

26%

have no plans for implementation (yet)

9%

have implemented in the past

— Ardent Partners (2017)

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The acquisition, retention and deployment of the right talent has created a true war for talent in which growth, wages and productivity are at risk (HRdive, 2016). Hence, organizations have to find new, creative ways to attract talent. Second, we are moving towards a 'gig economy' (Arden Partners, 2017). This means that gig workers connect with organizations to perform temporary assignments or projects (known as a gig) on a basis of on-demand commerce, e.g. Uber (Donovan, Bradley & Shimabukuru, 2016). Moving 'from gig to gig' has become just as normal as being a permanent employee.

The benefits of an integrated workforce approach

By integrating the approach for attracting, retaining and developing the workforce, organizations have real-time insights into today's workforce and future staff requirements. This type of transparency is in multiple ways beneficial to organizations, internal employees and contingent workers.

Better and faster decision making. The quality level of creating and directing business plans, budgeting and operational planning significantly improves, which enables the organization to increase its agility, react quicker to trends and make better decisions (Hrpraktijk, 2016).

By managing the workforce as a collective, such as giving internal employees and flex workers the opportunity to join the same trainings and workshops, **organizations create a stronger link and connection among all employees.** This not only makes employees more responsible, but also stimulates innovation, which often emerges where different groups come together.

Organizations are in a better position to proactively attract talent, at a lower cost and with less risk, which in return **improves the organizations' level of flexibility** (Laborredimo, 2019). This is important as the labour market changes constantly, including changes in law and regulation.

TWN Benefits

-  Decision-making
-  Connection
-  Innovation
-  Flexibility
-  Visibility

Improved visibility. By using a system that lists available job postings in a transparent way and allows permanent employees and flex workers to respond to vacancies, companies 'unlock' their own people's potential, which creates a competitive advantage for the organization.

TWM is flexible in increasing and decreasing the number of resources, without losing quality. Success is not about internal employees or flex workers but attracting the right people.

HR vs. Procurement: collaboration as a means to success

TWM covers multiple stakeholders as it cuts across departmental boundaries. HR and Procurement are key stakeholders in managing the workforce. Traditionally, HR's role is to attract, develop and manage the workforce. As such, HR views contingent labour as a means to access job candidates. Procurement's job is to manage risk, costs and contracts. Hence, contingent labour is seen as the most cost-effective way to attract resources (Workforcelogic, 2019). In reality, the functions do not always join forces when it comes to TWM. By breaking down their departmental siloes, HR and Procurement should be able to manage their interests while being motivated to work toward a common goal (Hrmagazine, 2019).

Besides collaboration, TWM requires management and leadership; stakeholders need to be aligned and activities require coordination. Providing TWM is by definition an HR topic, covering, for example, resource planning and talent management, HR is best placed to lead the change. However, even when HR and Procurement work closely together, there are functional, technological and strategic shifts required within the organization. Without focusing too much on deep and complex elements that are linked to TWM, the introduction of this new HR model impacts how employees work and interact with each other. As such, the implementation of this model requires a clear vision, purpose and strategy, supported by senior leadership that spreads the message, to reinforce the message.

By **breaking down their departmental siloes**, HR and Procurement should be able to manage their interests while being motivated to **work toward a common goal**.

— Hrmagazine (2019)

Quintop's approach to TWM

The challenges described earlier in this whitepaper clearly illustrate that TWM goes way beyond HR's remit and influence. Designing and implementing a TWM strategy that addresses your current and future staffing needs, requires a more holistic approach. Quintop has seen organizations struggle with this in practice. Quintop's approach to TWM is a cross functional one. Earlier in this paper we concluded HR is best equipped to drive and orchestrate the TWM strategy and initiatives, but the outcome should be co-owned by multiple functions and ultimately by an organization's top management.

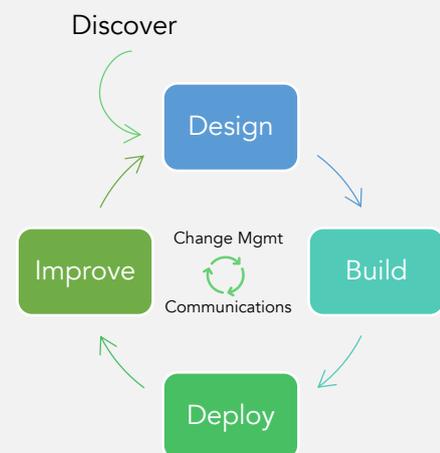
Introducing the TWM concept and approach is not a one-off intervention, but an iterative process. To underline this and stress the importance of designing and building TWM solutions (processes, systems and governance) that are flexible to adjust to an organization's staffing priorities, Quintop has adopted a structured and cyclical approach.

Discover: Define your TWM 'case for change': why should you use the TWM approach for your staffing strategy? What objectives/goals do you want to achieve by integrating your permanent and contingent workforce processes? What is the feasibility (financial and non-financial benefits vs. investments in TWM solutions) of TWM for your organization?

Design: Create a detailed design and roadmap for your TWM Solution in terms of end-to-end process, governance, technology and sourcing strategy. Through a participative approach HR and procurement teams are involved as well as vendors and other stakeholders. As Quintop is technology and supplier independent we are positioned to support your Request for proposal (RFP) process to select TWM tooling and service providers.

Build: Deliver your TWM solution by bringing the processes, people capabilities and technology in place through an iterative and agile approach. Where typically the technology vendor, your internal IT department or an implementation partner acts as the system integrator, Quintop feels comfortable to play the role of process integrator in addition to overall program and project management.

Quintop's approach to the implementation of TWM



Deploy: Quintop helps you to activate the TWM Solution in line with your roll out strategy (e.g. piloting, big bang, country by country, business by business) and works closely with future users and teams who will run the new TWM processes to ensure organizational readiness.

Improve: Measure adoption. Is the new process adhered to? Are users, internal customers and workers satisfied with the TWM process and experience? Tracking benefits realization (against the business case) and running 'data driven' improvement cycles for all components of the TWM solution should be a recurring process activity.

In every stage it is critical to support the project activities with a wide variety of change management and communication interventions. By designing and implementing a structured approach, it is possible to create the right level of awareness, adoption and reinforcement of your TWM Solution.

Quintop's approach is iterative, interactive and pragmatic. We work closely with our customers and although HR is our natural habitat, we will make sure cross functional collaboration happens in each phase of the project. Your human capital is at the heart of everything we do, and technology is seen as enabler, not an objective in itself. As with every project we run, we are very passionate about achieving results together. We are looking forward to helping you with your TWM journey.

Contact details

Quintop Management Consultants
Groenewoudsedijk 70b
3528 BK Utrecht

info@quintop.nl
030 - 670 46 05

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