



It's Time for a Greener Approach to Acquiring and Managing Talent

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Date: September 6 2008

Rising oil and food prices and the global warming debate may have brought environmental responsibility solidly front-of-mind, but Wall Street shakeups and worsening unemployment statistics have yet to rally a widespread corporate commitment to a “greener” workforce. Like slash-and-burn farming techniques, slash-and-burn human capital management continues to leave brownfields of corporate anxiety and mistrust.

In today's unstable economic backdrop, it's critical for companies to quickly and efficiently optimize human resources in response to major industry or marketplace events. The most successful businesses will react and adapt with the incorporation of a greener “contingent workforce” talent acquisition model. Through this contingent element, expertise can be optimally managed and continually “recycled” as organizations use only what they need and then return it to the marketplace.

No Longer an Afterthought

The green consumer mindset has seeped into the business world, fostering shifts in organizational norms, structure, and tactics as well as employee behavior. Examples include the replacement of separate “brick and mortar” office spaces with shared spaces; increased home-based employees; flexible starting hours and schedules; and commuters' migration to public transportation and bicycle travel.

Yet one of the most environmentally and socially wasteful business practices still persists: “overhiring” by operating departments in advance of prospective growth that inevitably underwhelms, followed by finance department-driven restructuring and layoffs. This damaging cycle represents a colossal waste of energy and resources that, left unchecked, could evoke its own “greenhouse gas” effects – creation of a chaotic, harsh and inhospitable corporate environment due to damaged internal and public image and brand; diminished leadership credibility; write-offs on expensive talent investments; and lost revenue from defecting customers. Moreover, overhiring's most detrimental workforce and corporate effect is the creation of a toxic workplace where employee

morale and productivity suffer.

In today's volatile economic and corporate climate, organizations need to break the ingrained practice of full-time hires, and address changing human capital needs with more than an afterthought. Corporate environmental policies can provide a convenient blueprint for drafting a greener workforce model. For example, Wal-Mart's Environmental Sustainability policy could be retooled with a human capital context to read: "We view employee and overall workforce planning and sustainability as one of the most important opportunities for both the future of our business, and the future of our world. Our opportunity is to become a better company by looking at every facet of our workforce management — from how we hire, to whom we hire, from part-time to full-time, from fully outsourced to partially outsourced — through the lens of human sustainability. ABC Company's employee and overall workforce goals are simple and straightforward: to be supplied 100 percent by positive energy; to create zero waste; and use appropriate levels and quality of resources to create corporate "energy" and improve morale."

With contingent workers as a cornerstone of this policy, businesses can conserve planning and management energy and resources. They can "play offense" by determining their true current need before making a hire: Is it a full-time employee -- or is it an expertise? Starting with this analysis, instead of automatically extending a full-time job offer with an undefined end date, can prevent painful defensive restructuring tactics when needs change due to competitive pressures or shifts in internal core competencies. Additionally, clear expectations can be set with the acquired talent, including a defined project, deliverables, and employment start and end dates.

Recycled Talent, New Advantages

Just as each individual's eco-friendly activities can collectively further grander-scale environmental improvements, each socially responsible use of contingent workers stands to advance the "greater good" of an organization -- by enhancing brand image, improving employees' individual work experiences, and building compelling appeal that draws new customers and talent.

- **Socially Responsible Organizational Growth**

The rapidly changing business environment underscores the importance of flexibility to an organization's structural growth. With a more conservative investment in full-time employees and increased use of contingent workers (similar to renting vs. buying a residence or car-share programs), an organization gains the opportunity to "plug-and-play" the appropriate level of expertise for changing situations. Through ongoing use of interim talent, organizations create a mechanism for controlled deployment of expertise that fluctuates with internal and external workforce influences.

- Socially Responsible Personal Growth

The contingent workforce model also offers a compelling alternative for innovative, effective employee development. Organizations can conserve full-time employees' energy and productivity by utilizing interim workers to jump-start the integration of a new expertise into a corporate culture. Like messenger RNA spreading chromosomal information, interim workers build permanent employee motivation and retention by transferring expertise to them as needed. This approach can foster not only long-term survival of the individual team member, but of the organization as a whole.

A Contingent Workforce Profile

Just as the list of recyclable materials continues to grow beyond the basics of newspaper, plastic, and glass, the contingent workforce's "recycled talent" model holds a potentially broad applicability at an organization.

- Job Functions, Levels and Responsibilities

While all functional areas and employee levels stand to benefit from a contingent worker element, a responsibilities analysis can help organizations target positions that lend themselves most readily to the model.

- Core Responsibilities -- These "must-do," "no-return" tasks, e.g., payroll, are prime for contingent outsourcing.

- Essential Responsibilities -- Performed by the bulk of management and permanent workers, these tasks are critical to achievement of short-term business plans. In this category, contingent staffing best applies to cyclical activities and special projects.

- Strategic Responsibilities -- Performed by the leadership team, these tasks are critical to longer-term business plans. In this category, consultants are the most suitable contingent worker solution.

- Age Groups

- Baby Boomers -- For Baby Boomer workers who have weathered multiple corporate restructuring nightmares and are weary of long-term job volatility, contingent work arrangements provide a welcome opportunity to provide talent within a delivery framework that fits their and the company's priorities: leveraging their expertise, focusing on a specific deliverable, maintaining schedule flexibility, avoiding corporate politics, and gaining personal satisfaction.

- Generation X -- The contingent workforce model also holds potential appeal for

Generation X workers who saw their parents commit lifetimes to “the Man” only to grapple with the harsh realities of unexpected layoffs. As the first workforce demographic who may not see Social Security benefits, contingent work can satisfy this group’s general interest in broad career options and contingency plans, as well as maintenance of work/life balance.

- Echo Boomer/Generation Y – For these workers, who are already projected to hold more than 20 jobs over their lifetime, the contingent worker mindset aptly embodies career attitudes and objectives: acceptance of responsibility for their own careers; desire to round out both their resumes and life experiences; and an expectation to move on in two years if they haven’t moved ahead at an organization.

A Socially Responsible Start

Organizations looking to implement a contingent workforce talent acquisition model will realize the most substantial benefits by demonstrating a solid commitment to social responsibility right out of the gate – in the earliest stages of planning, implementation, and gaining management and permanent employee buy-in.

- Begin with a responsible plan

In keeping with the underlying “use only what’s needed” mindset, initial planning should center on making a responsible, manageable investment based on true expertise needs. Organizations should first determine an optimal ratio of contingent workers to permanent employees. Ideally, this ratio should fluctuate with macro-economic conditions and major industry and corporate events, such as acquisitions or new product introductions. In addition, evidence suggests that 5 percent to 25 percent of full-time employees are typically terminated during a reorganization, so the optimal contingent worker percentage likely falls within this range.

A company’s specific ratio should be established as part of an organization’s annual workforce planning process (typically in connection with the annual budget process), and revisited in the wake of unanticipated world or economic conditions or business events.

Measurement and reward policies integrated with the contingent workforce mindset could provide companies with the foundation for competitive advantages. Examples of specific policies can include:

- Regularly publicizing quantifiable bottom line benefits such as savings, profits, customer growth, and workforce stability.
- Regularly publicizing quantifiable “work environment” benefits, such as promotions, retention, productivity, and project completion
- Rewarding the engagement of interim expertise in accordance with workforce and budget plans

- Rewarding cross-functional employee transitions

Amid economic turmoil, global competition and rapid business changes, organizations must challenge traditional assumptions of workforce management. By thinking beyond “staffing solutions” and “outsourcing” to integrated full-time, part-time, temporary, and outsourced expertise and workforce management solutions, organizations are compelled to address underutilized and wasted human capital. Let’s get on a “greener” track of improving our workforce model design to get better talent “mileage per gallon.”