



The Resourcing Leaders 100



Total Workforce Management

- Now, New, Next

Contents

Introduction	3
The journey towards Total Workforce Management with David Mason, Nationwide	4
The Use of Data and Artificial Intelligence in Total Workforce Management and Talent Acquisition	6
Contributors	8

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The Recruitment Events Co. offers market leading events exclusive to the in-house recruitment community, focused on peer-to-peer learning.

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About

The RL100 is a collective of 100 of the industry's brightest resourcing leaders in the UK who have committed their time to meet on a regular basis, discuss specific subjects and have their knowledge and insight form content that is then distributed to the wider in-house recruiting community.

Our goal is to redress the disparity of resourcing advancement across the UK and allow everyone the benefit of these leaders.

Why Contingent & Contract?

We chose the issue of managing contingent and contract workers as our second topic in the RL100 series as this is an increasing priority for many Resourcing Leaders. Changes in technology, how we work and in legislation mean that this can no longer be pushed to the bottom of the to do list and moving towards Total Workforce Management can drive real business value if managed in the right way.

Introduction

With uncertainties prevalent in the economic market, businesses are increasingly reliant on temporary or contingent workers. Recent studies show these types of workers are one of the fastest growing segments of the national workforce. Contingent workers are classed as non-permanent employees such as: freelancers, contractors, consultants and agency workers.

This growing group of workers is rapidly changing how companies fill jobs. As part of the employment contract, companies are obliged to produce a Statement of Work (SOW) for contingent workers. This is a document that offers a detailed description of the specific services or tasks the contractor is required to perform under a contract. A SOW is usually incorporated in a contract, directly as an attachment, by reference or indirectly. This alongside total workforce management strategies were the basis for discussion at the latest RL100 meeting.

The Journey Towards Total Workforce Management with David Mason, Nationwide

David's session highlighted some challenges faced by Nationwide in its journey to Total Workforce Management, as well as some of the outcomes. As a large scale financial services organisation, Nationwide still stands with a solid reputation and has topped other banks for around 160 years with 15 million customers. With the idea that the bank is built to last and their strong ethics, David suggested that the key to success is in driving efficiencies across the organisation through significant investment in technology and in people. The necessity to make decisions that are in the best interest of the organisation and its members comes at a price and depends on an agile workforce.

"In order for HR and resourcing teams to thrive and survive they will need to embrace Total Workforce Management as contingent labour continues to grow inside of companies. "

To understand Total Workforce Management we need to look at it as a combination of culture, the organisation, and the strategy you are driving towards. Improving the supply chain gives a simple framework and allows for the results to be focussed on the business needs. Many organisations currently face similar challenges in defining what the benefits of Total Workforce Management are around the risk, compliance and policy framework. The aim for the future is for there to be an effective partnership between HR, finance and procurement to enable effective resourcing and drive joint accountability and shared experience.

"Rather than fearing contingent labour management, HR teams should see it as a route into the Board Room and adding real commercial value."

David highlighted five key considerations to address when developing a contingent strategy:



1. What is the maturity in the capability you see in your resourcing and procurement functions? Does procurement genuinely understand this category? Do you and your team have the technical expertise?
2. Levels of curiosity of your own people? Are stakeholders interesting in expanding horizons and trying something different?
3. Strategic intent?
4. What is your team's commercial ability?
5. Technologically astute?

"With changes coming for the public sector and signs that this will move into the private sector, it's imperative that businesses/resourcing functions start looking at their strategy, governance and processes around contingent hiring. "

The Discussion

A key theme in the discussion was the lack of centralised control within organisations. Procurement and finance teams share a lot of common ground, both trying to achieve efficiencies, improve process and governance, and control risk; yet there is often little collaboration between the two. The assumption is that the two would work in harmony, but the reality is that there can be a lack of synergy between the two which then leads to confusion about who is controlling what. This is quite common in organisation's where there is a Managed Service Provider (MSP) on site.

One thing that became apparent early in the discussion is that each organisation is at a very different stage of their contingent strategy, but that the challenges faced are very similar for all. For example supplier fragmentation (one organisation had 114 different contingent suppliers!) and managing risk/compliance.

"We are all different and our needs are different, but if we don't get the sell out to the organisation, then it won't ever be successful."

Trying to maintain a team culture whilst enforcing changes was also a common problem – how do you retain a sense of team spirit when a high percentage of your workforce is made up of contractors? Do they need to follow the same process? How do you prevent discord? Employers found the perception from many of their permanent employees was that contractors had a better deal, and this led to animosity and friction amongst workers.

"The next challenge is how we can support this transition by effectively engaging the contingent workforce to make their experiences more seamless and the entire process more efficient."

Questions were raised around Vendor Managements Systems (VMS), at what stage do you focus on the technology? And will you get the support and resource from the rest of the business put behind it? The primary role of a VMS has been the "procure-to-pay" aspect

of outsourced work. This can be the ability to track hours, request talent, pay suppliers and process invoices. By centralising and automating these tasks, the savings to a company can be enormous. Technology can also manage other contingent labour such as tenure management and identity verification, areas which are no less important to an organisation's long term success. This was still to be explored by many as they were all in the early stages of adopting their strategy, but for most, cost saving was top of the agenda for their organisation.

"Launch the MSP and VMS, don't wait! Tactically I've picked up some great tips, but I've learnt to just make sure your data is right."

A vital piece of reformed legislation that has recently come in to force affects how IR35 is applied to off-payroll workers. IR35 will affect all contractors who do not meet the HMRC's definition of 'self employment'. This has been updated in the public sector already and it won't be long before the private sector follows suit.

"Will the new legislation lead to a rise in SOW style working?"

Public authorities, agencies, and third parties supplying contractors should consider existing contracts and determine whether the off-payroll rules apply when engaging a worker through Personal Service Companies (PSC). This should be a priority for all resourcing leaders in the coming months, not only in the public sector where this has already been rolled out, but in the private sector where similar changes are anticipated in the near future.

Key takeaways:

- Get ready for the changes to IR35 already implemented in the public sector, the private sector is following shortly
- Consider how your team can work closer with finance and procurement
- Review the suppliers you are working with and rationalise your supplier list regularly

"Not all of us are able to talk Total Workforce Management because we're not there yet. Network is super important, go and talk to people to hear their experiences, do more of that as a group."



The Use of Data and Artificial Intelligence in Total Workforce Management and Talent Acquisition

Roger Clements, Elevate Direct

This session looked at the future evolution of the workforce and some of the tools available to organisations to engage and source their employees. Technology isn't entirely new in this space but most have centred on automating existing workflow rather than challenging the process and finding new ways to identify and manage contingent talent.

So how can we use machine learning and AI to increase the productivity of recruiting teams? What would the value impact to organisations be if 30 - 40% of recruiters' time was freed up?

With the rise of the Gig economy and the increased reliance on contingent workers in many sectors, this is an increasing priority for many organisations. Many businesses are working towards self-sufficiency in the management of contingent workers and there is a move from default MSPs and external suppliers to using more blended talent functions. One of the challenges most organisations face is that the data relating to contingent workers particularly, is held in plethora of different systems with only name, possibly the job title and a CV.

The use of algorithms can automate a process such as direct sourcing by as much as 40-50%. So can more organisations move away from default managed services to create talent pools, and what proportion of recruiting activity is a reactive process vs a proactive solution?

Technologies such as Elevate serve as an online marketplace for highly skilled independent contractors to improve recruiter productivity. The key components of a successful platform are



- *Data driven decision making*
- *Streamlining of intermediaries*
- *Recommender technologies*
- *Personalisation*
- *Direct access*
- *Visibility*

In order to utilise this type of technology we need to better understand the skills already within the organisation and in the networks of our employees. Are they categorised as a top performer? Who, from which organisation performs best in your company? Are they categorised as a top performer – who from which orgs performs best in your org. Understand success based on indicators of previous success.

“Do something about your Total Workforce Management now and embark on your journey to find out what best works for you speak to others.”



The Discussion

A common theme in the discussion was around talent pools. Whilst some resourcing leaders believed they were of little use where there is a lean recruiting team, others said that they are effective if they remain small and are well managed. Some loved the idea of Artificial Intelligence (AI) taking the strain from some recruiters and hiring managers, and others pointed out that there are some human elements that can't be removed from the hiring process. A good recruiter knows a good candidate and that is something technology cannot necessarily replicate. This is particularly true for senior roles where you need to ensure good cultural fit.

By automating the hiring process, an assumption is made that every potential candidate will be online or using a smart phone, but this isn't necessarily the case. Chatbots can be used to answer FAQs, video interviewing for assessment, and programmatic for hyper targeting, but this relies on candidates using digital only and raises questions over discrimination. Essentially, the hiring decisions people make are in the main predictable, machines can make these as efficiently, if not more efficiently than we can.

With 40% of reactive hires coming from posts on job boards and most of the recruitment resource spent screening rather than on proactively sourcing individuals, a key question was 'do we really understand the external workplace?'. Another point was the suggestion to alter the working hours of recruiters; for years working the same hours as a potential candidates has been a hindrance. Overall it was agreed that organisations tended to be reactive and if you understand and capture the skills in your network, you can then use them more effectively.

More organisation's are becoming increasingly self-sufficient in the management of their contingent workforce, but how can we best calculate the most effective way to build an in-house team to manage this process? Looking ahead, discussion moved towards Alexa, Amazon's new voice controlled AI device. The software was developed to accurately interpret questions and is framed towards being more natural and conversational. This will tackle the problems faced for billions with the way computers are operated with buttons and interfaces. Machines can make these decisions more efficiently than we can.

"Ensure you have a strong contingency strategy in place."

Key takeaways

- Consider running programmatic advertising to target niche skills on Google / Facebook / Messenger etc.
- Profile every discipline in the organisation using consistent data

"Great to see so many talent and resourcing specialists taking charge of, and educating themselves on the contingent and contract workforce. With this level of integration Total Talent Management is surely a trend to watch."



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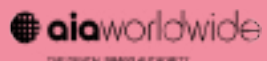
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