



The Blurred Lines Between Build, Buy, Borrow



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Companies are fine-tuning the traditional talent strategy in the new skill economy.

The pandemic has pushed many companies to take quick, decisive action with regard to their business's health. Some shifted their operations to support the fight against COVID-19 and preserve revenue by introducing new product lines, such as in the cases of carmaker Ford retooling manufacturing lines to produce ventilators, Brentwood Plastics Company creating impermeable material for isolation gowns for essential workers, and apparel giant Hanes repurposing its workforce to sew face masks. Other companies focused on cost containment, reducing their geographic footprint, closing locations, and decreasing or shutting down unprofitable business lines.



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Regardless of the business strategy, nearly all organizations have reconfigured their workforces, whether that means furloughs, layoffs, or hiring freezes. And many employers hastily created temporary remote work programs; some of those initiatives have since become permanent.

All those happenings combine to change the makeup of the workforce. While it presents challenges, it also creates opportunities for employers to have greater flexibility regarding talent.

As the pandemic's effects continue and the economic landscape remains unclear, businesses are beginning to refocus their efforts on recovery and growth, McKinsey reports, but with shortened time horizons. With the need to hastily implement strategic and operational changes, companies are prioritizing their ability to remain agile and respond quickly to shifting circumstances. As they reactivate strategic initiatives, employers are grappling with managing talent supply and demand.

Companies must now think creatively about how to resource work while navigating uncertainty. They are balancing the risk of adding fixed costs like head count while ensuring they have the right skills in place to staff key projects and initiatives. The current landscape challenges the standard build-buy-borrow strategies for talent managers:

- Building talent internally requires substantial time investment to create and maintain a viable pipeline.
- Buying talent externally often necessitates a commitment to full-time head count.
- Large-scale borrowing can pose challenges from cultural and efficacy standpoints.

To adjust, forward-thinking companies are migrating from those standard practices to create more fluid skill economies, where there is greater focus on identifying, cultivating, and deploying discrete skills to perform needed work. I've talked with HR and talent development leaders from companies across industries—including healthcare, insurance, technology, marketing, and staffing—who are putting these ideas into practice. Here are several ways to incorporate them into your talent management programs.



can create more porous teams, departments, and functions. By having a more fungible network of skills, companies can better manage available resources.

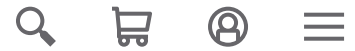
A select group of companies have begun to make strides toward that by documenting each employee's skills and subject matter expertise (professional services, for example, where staff are assigned to projects based on expertise), but few have created an efficient system of supply and demand when it comes to skills.

To understand and develop its skills marketplace, Zebra Technologies Corporation is using an L&D lens. Maggie Laffey, senior director of global talent development and management, notes that "We are working to assess our skill inventory and encourage development. We are seeing a significant uptick in people accessing learning opportunities. We are thinking about skill as a currency to enable people to take on stretch projects and encourage people to become more agile."

In addition to the ability to "borrow" skills internally, the company's approach provides another advantage: It enables the organization to selectively build talent around gaps it sees in the marketplace and center upskilling, reskilling, and development opportunities around its perceived near-term needs. Businesses are making substantial investments in this area. For example, Amazon announced it would invest \$700 million to reskill some 100,000 workers within its ranks, and PwC committed \$3 billion to skill building and training for its team members.

To create an effective internal skills marketplace, talent development leaders must leverage technology, take a surgical approach to skilling, and redesign L&D delivery.

Leverage technology. Successfully implementing a skills marketplace requires organizations to have a central repository to house employee profiles, inclusive of skills. Your company's current HR information system may have that capability; in fact, many do but are underutilized. The repository should be easy for employees to use to regularly update their skills and have robust reporting capabilities for leaders to "shop" for the skills they need for a given project.



repurpose resources to address critical gaps. Depending on your organization's training structure, talent development leaders may need to partner closely with functional or technical training departments to understand and address the full scope of the needed skills.

Redesign L&D delivery. The talent development function has traditionally used the 70-20-10 development model that calls for learning to be 70 percent experiential, 20 percent mentoring and feedback, and 10 percent formal classroom training or coursework. While that is a helpful guide, weigh the availability and feasibility of each of those learning formats in the current context and the ways to reshape them to be more effective for the remote workforce.

Many of the companies I've worked with have moved the bulk of their training courses online; some had already begun that movement prior to the pandemic but accelerated the work once it became clear remote work was here to stay. If they previously relied heavily on face-to-face activities, talent development professionals may also need to structure mentoring and experiential or action learning programs differently.

Reimagine jobs

Jobs are collections of skills, knowledge, and behaviors. As reported in the *Harvard Business Review* article "How the Coronavirus Crisis Is Redefining Jobs," breaking roles into components enables companies to identify the specific skill sets within each role. As business problems or initiatives arise, employers can determine the skills needed to solve them in real time by more precisely applying the right skills.

The landscape is changing so quickly that well-defined organizational structures and roles rapidly become obsolete. Because there is no certainty that the skills needed today will be the same in, say, six months, companies must build in greater fluidity.

After breaking roles into components, rather than building and filling an entirely new role, employers can "rent" the needed skills—either through their internal skills marketplace or via external contingent labor sources, such as staffing firms or consultants.



limited time horizons, focus on the talent with higher levels of learning agility, or growth mindset, because those individuals will be better able to manage an accelerated learning curve. Crafted as development opportunities for high-potential talent, project work on the strategic initiatives is an excellent way to keep high potentials engaged, learning, and productive during uncertain times.

Understand the type of work required. Discern which tasks or projects require synchronicity and connectivity, and staff them accordingly. Some work is more rote, routinized, or technical; other work requires more real-time interactivity among team members to be successful, such as projects with intensive problem solving, creative brainstorming, and closely interdependent tasks. For other work, teams or individuals in disparate locations and time zones can complete it in more discrete chunks.

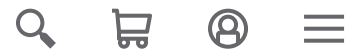
Fill immediate gaps with contingent options. Where skills gaps exist, companies can bring in consultants or temps to fill the need, especially when there isn't time to develop the skills in-house or if particular projects are time-limited.

Kelly Garst, business development director at Salo, a staffing and search firm based in Minneapolis, Minnesota, has noticed an uptick in client companies seeking contingent resources for specific skills. "We are seeing more sprints—time-bound projects with defined goals, such as benefits open enrollment, engagement survey implementation, [and] finance/accounting work like closing the quarter, new systems implementations, etc."

Revamp talent mobility programs

Talent mobility programs have traditionally had geographic mobility elements embedded: Most employers expected that employees would relocate for promotions or accept an expat assignment to accelerate their climb up the corporate ladder. However, companies

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Despite the perception that people are fleeing cities during the pandemic and have been highly mobile, various recent studies paint a different picture, where relocation has been more limited and less driven by work. Removing the geographic aspect of talent programs can reap significant benefits. First, it opens up new labor markets. Silicon Valley companies have employed this strategy for the past decade to gain access to a more expansive labor set. Second, it offers companies in expensive metropolitan areas access to high-quality—but less expensive—talent. Facebook, for example, announced that it expects 50 percent of its workforce to be remote within the next five to 10 years. The company is currently selectively allowing employees to relocate outside the Bay Area, with the caveat that their pay may be adjusted.

Talent managers can help their organizations be on the cutting edge of such trends and better position them in the talent marketplace.

Challenge the notion of geography-specific roles. Companies may be in the habit of requiring relocation, so help business leaders consider the limitations of that approach—and the talent and value opportunities offered by flexibility, especially for the near term. Take immediate relocation off the table by either establishing certain roles as geography-agnostic or delaying relocation for the next year or so, with the understanding that the company will reevaluate after that time period.

I recently spoke with a healthcare company in New York, New York, that is intentionally pursuing such a strategy after struggling to recruit staff. Given the pandemic's devastating impact on the city, the company has found it increasingly difficult to persuade talent to relocate to the area. As a result, it adjusted its recruiting approach to search for talent in the Midwest and South and is allowing the employees to telework, at least for the foreseeable future. That broadens the talent pool, and with no relocation fees and a more favorable geographic pay differential, the healthcare organization is recruiting top-notch talent for a fraction of the cost.

Design or redesign your talent portability strategy. In many companies, relocation is a requirement for certain promotions or some lateral positions. Talent development leaders can help assess the criticality of relocation needed for particular roles. For example, an



IRI, a technology and market intelligence firm, is responding to the current situation by becoming more strategic about talent portability. Andrea Haan, senior vice president of global talent, says that the pandemic is "accelerating contemporary themes. We are currently reviewing our real estate and the labor economics and value of remote work. We're also being thoughtful about looking at and developing nontraditional talent profiles—those with learning agility versus deep technical skills—to create a strong internal pipeline for client work."

Explore call centers without borders (state borders, that is). This is a variation on the outsourcing model businesses use for more commoditized roles such as customer service, lead generation or inside sales, and technical support. Some companies are taking that approach a step further by creating virtual call centers. They can reduce their real estate and other costs, hire in various markets with lower labor costs, and more effectively cover time zones.

Encourage leaders to think creatively when workforce planning for call center roles, which tend to be high-churn positions. One of the ways to reduce attrition is to improve agent or representative experience; flexible, remote work can be a welcome employee perk and can differentiate your company in the candidate marketplace.

Some states, such as Vermont, Maine, and Alaska, are capitalizing on the remote work trend. They are offering incentives in the form of grants or tax credits for remote workers to relocate there, which creates win-win programs for employers and workers alike.

A different approach

As businesses begin to emerge from crisis management and return to a more strategic focus, they are reinvigorating initiatives and projects. Organizations are shifting from a reactive stance to refocus efforts on growth and sustainability, even if that means taking a shorter outlook than prior strategic plans.

And they need staff to do the work. While layoffs, furloughs, and other corporate restructuring have undeniably been painful for many, employers now have the opportunity to rethink their approach to talent. Leaders in HR, talent development, and talent



jobs, identify projects that require specific skill sets, and engage internal and external resources to best staff the work will position the talent development team as a strategic business partner in navigating the shifting business terrain.



ABOUT THE AUTHOR

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Patricia Carl is an executive coach and consultant, and former chief human resources officer for both public and private equity backed companies. She partners with leaders, teams and organizations to drive business outcomes, and has worked with clients across industries, from companies such as Microsoft, Target Corporation, Deloitte, Citadel, and Silicon Valley start-ups. She has guest lectured at academic institutions including the University of Pennsylvania, and her insights have been regularly featured in *Forbes*, *Real Leaders*, and other publications. She holds leadership roles with not-for-profit boards and organizations and is an angel investor in multiple technology companies.

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