

Next-Generation Talent Ecosystems

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Falling birthrates, ageing populations, skills shortages, shifts in attitudes towards employment and more are contributing to a continuously evolving labour market that's very different to as little as five years ago.

Today, the average permanent job lasts between two and four years, and employers must work much harder to engage and retain the people they need to fulfil organisational objectives. In parallel, organisations face increasing pressure to respond quickly to market challenges. They need flexibility and agility.

For a host of reasons, most organisations today rely on a far wider range of employment types to deliver work outcomes.

This has huge bearing on internal communication.

When we continue to talk about 'employee engagement' or 'employee experience', by association we exclude all those others who are helping the organisation achieve its goals but who aren't employees.

By taking time to understand the full spectrum of employment types available, we can begin to craft internal communication strategies that are inclusive and that build loyalty, trust and goodwill across the widest range of internal stakeholders.

Employment type

What is this?

When should we use this?

Permanent

- The most popular type of employment across most developed labour markets.
- Employees are hired on a full-time (>35 hours per week) or part-time basis and salary is paid via a payroll. Income tax (and in many jurisdictions national insurance or an equivalent) is deducted at source.
- Permanent employees are also typically eligible for additional benefits, including sick pay and holiday pay, maternity, paternity and adoption leave, pension, private healthcare and more.
- Permanent jobs are underpinned by a formal employment contract with set terms and conditions.
- The individual's role and responsibilities are decided by the employer.
- There is no specified end-date to the employment contract.

- People are hired for skills and competencies that are considered as business critical for the foreseeable future.
- People are hired for skills without which the business feels it would be compromised.
- People are hired for critical expertise and the organisation is fully invested in their continuous upskilling over the long-term.

Employment type

Temporary, contract and interim staff

What is this?

- People are hired on a short- or fixed-term basis and there is an anticipated end-date to the employment contract.
- Temporary, contract or interim workers are usually hired through a third-party agency who takes responsibility for the associated legal and tax obligations of the individual. This third party also makes sure the worker has the same level of protections and rights as would exist if they were employed directly by the employer. This places an 'arms-length' distance between the individual and the employer and removes any implied employee-employer relationship between the two parties.
- The work outputs of a temp or contractor are usually supervised, overseen and signed-off by the hiring organisation.

When should we use this?

- When critical skills can't be found on a permanent basis.
- When skills are needed on a just-in-time / on-demand basis.
- When expertise is needed to backfill a permanent employee who isn't able to work for a prolonged period.
- When it's recognised these skills won't be needed for the longer term.
- When the organisation needs to respond quickly to external market forces.

Employment type

What is this?

When should we use this?

Consultancy

- Niche skills, expertise or advice are bought in, usually to help the organisation adapt or do something new.
- A consultant or consultancy is considered to hold specialist and objective expertise or knowledge that's unavailable within the organisation and that the organisation would not need on an ongoing basis.
- The consultant or consultancy is expected to have in-depth expertise gained via qualifications and accreditations or prolonged study and proven industry expertise.
- The consultant or consultancy is expected to deliver a solution to an identified organisational issue. In some instances, the consultant or consultancy helps the organisation fully scope and define the issue.
- The consultant or consultancy carries an enhanced level of professionalism, expertise or knowledge that is typically underpinned by professional indemnity insurance.
- A consultant will usually supply their services via a limited company which limits certain liabilities.
- The host organisation bears no responsibility for tax and NI contributions.
- The host organisation is responsible for any health and safety implications arising from the contract of employment.

- Consultants are usually brought in to solve a specific business issue.
- They will usually 'teach' the organisation and provide relevant knowledge transfer to internal staff.
- Their knowledge and expertise are deemed necessary for the organisation to move forward, grow and adapt.

Employment type

What is this?

When should we use this?

Freelancer

- Freelancers are formally registered as self-employed for tax purposes. They will commonly supply their services to multiple clients and usually deliver against a tightly defined scope of work.
- While the term freelance can be used interchangeably with contractor, typically freelancers deliver a tangible piece of work independently of their client. As such, a fee is agreed for an agreed scope of work and payment takes place once the client has signed off or accepted the piece of work against the original brief.
- Freelancers aren't typically expected to work set hours and will have total control over where, when and how they work. Payment is normally tied to the delivery of a specific outcome.
- Today, freelance work is increasingly known as 'gig' work, giving rise to the now normalised term 'the gig economy'.

- Freelancers are commonly used to deliver against a tightly defined specification and / or tangible outcome. Examples include graphic design, website design, video production, content creation or other type of creative endeavour.

Supplier staff

- Increasingly, commercial arrangements exist between organisations who regularly collaborate to achieve shared outcomes. They rely on salaried staff from an external support partner to (the supplier) deliver know-how, expertise and outputs that advance the interests of their client's organisation.

- These commercial arrangements allow client organisations to benefit from flexible and on-demand access to talent, without attracting longer-term employment liabilities.

Employment type

What is this?

When should we use this?

Supplier staff

- For these arrangements to be optimal, external stakeholders benefit from understanding their client's purpose, values, vision and any developments that might affect their ability to deliver at their best.

Internships and apprenticeships

- As the cost of tertiary education increasingly outweighs any employability advantage it provides, more young people are turning to school leaver apprenticeships and internships to develop hands-on practical experience.
- Internships give school-leavers, students and graduates entry-level skills and experience in a profession, industry or field of interest.
- Apprenticeships blend work and study to provide training and associated qualifications in a given field. For young adults, they are an increasingly popular alternative to university. They also present an excellent opportunity for older cohorts in the workforce to reskill as part of their 'Act 2' careers.
- Regardless of the employment contract arrangements, because the nature of their work is regarded as transient at times, those working as interns or in apprenticeships aren't always considered in wider internal communication activities.

- Internships and apprenticeships give employers access to lower-cost resource.
- Employers can cherry-pick the most promising graduate and school-leavers for longer-term employability.
- Employers benefit from accessing UK Government-funded Apprenticeship Levy.
- In industries where skills shortages are chronic, apprenticeships and internships provide excellent access to fresh talent.

Employment type

What is this?

When should we use this?

Zero-hours

- A relatively new – and sometimes controversial – type of employment, zero-hours contracts provide both organisations and their workers one of the most flexible types of employment.
- Under a zero-hours contract, the employer is under no obligation to provide a minimum number of working hours to the worker, nor is the worker obliged to accept any work offered.
- Zero-hour workers are legally entitled to basic employment rights, including national minimum wage, national living wage, paid holiday, rest breaks, health and safety protections, protection from discrimination and documented wages.
- Zero-hour workers are also free to secure additional employment elsewhere.

- Zero-hours contracts (ZHCs) yield the most flexibility for organisations and are thus most commonly found in industries and sectors where demand is hard to predict. They are increasingly commonplace in hospitality, entertainment, warehouse, courier and delivery services.
- Zero-hours contracts are beneficial for any organisation that experiences seasonal fluctuations in delivery of products or services. They enhance organisational agility, fluidity and adaptability.

Fractional or portfolio

- Another more recent addition to the range of employment types available, fractional or portfolio executives tend to operate at the higher levels of industry.

- Not every organisation needs or can afford a senior executive on a full-time basis.

Employment type

What is this?

When should we use this?

Fractional or portfolio

- Fractional executives typically have in-depth expertise and knowledge and have chosen to seek more flexibility and variety as a lifestyle choice. They provide their services to multiple clients concurrently and this portfolio of client engagements adds up to full-time engagement.

- A fractional executive gives the benefit of top-level executive expertise but at a reduced cost as the business isn't paying for a full-time member of staff.

Gig platform workers

- In the last decade, various gig platforms have launched to match organisations to workers who fulfil set tasks. This is commonly known as piece work – where workers are paid for their output or an item produced. Example platforms include Mechanical Turk (or MTurk), Upwork, TaskRabbit, Freelancer and Fiverr.
- As full-time permanent work becomes less stable and secure, increasing numbers of individuals are topping up their income with 'side hustles', through which they earn extra income.

- Gig platforms can help organisations access the most flexible end of the labour market.
- Because gig workers from around the world use these platforms to 'bid' for work assignments, it's increasingly common to access workers at very competitive prices.
- Examples of use include graphic design, software programming language translation, admin tasks, personal shopping and more.
- Gig platforms can be used when ad hoc pieces of output are required.

Employment type

What is this?

When should we use this?

Digital automation (AI, RPA, robotics etc)

- As digital technology evolves, new solutions appear to automate and expedite the delivery of routine and repetitive tasks that require accuracy.
- Generative AI is a great example of new technology that can create fresh content with reduced human input.

- With thoughtful application, digital technology solutions can deliver efficiency by faster and more accurate processing than the human hand is able to deliver.

Crowdsourcing

- In essence, crowdsourcing describes outsourced knowledge networks. It is a decentralised approach that harnesses the collective intelligence of a distributed community of individuals to address key issues and solve problems. These individuals typically sit outside of the organisation as 'loyal fans' who relish the idea of being part of a brand's product and service evolution. As such, they are part of the organisation's extended ecosystem.
- Crowdsourcing is an excellent way of innovating and developing future products and services that meet the needs of already engaged customers.

- Organisations can use crowdsourcing models to tackle emergent problems with an engaged external community.

Employment type

What is this?

When should we use this?

Volunteers

- Some organisations engage people on an unpaid basis to complete tasks or actions that benefit the wider community.
- Volunteering can be formal or informal and there is never any obligation by the person giving up their time.
- The host organisation is responsible for health and safety.
- Volunteers must receive training in the tasks they are asked to fulfil.

- Engaging volunteers is mostly suited to the charity / non-profit / third sector, where a shared purpose and vision for a better future are clearly articulated.

Enterprise alumni networks

- An alumni network is a community of former employees and other colleagues. As employment cycles accelerate, well facilitated alumni networks are an excellent way of helping organisations maintain positive relationships and engagement with internal stakeholders that extend beyond the duration of the employment contract.
- In tight labour markets, alumni networks encourage boomerang working – a term describing those who leave an organisation only to return at a later stage. A key benefit of boomerang workers is that cultural capital isn't lost; returners with prior organisational knowledge are able to ramp up quickly, and even 'hit the ground running'.
- The volume of recruits willing to return to an organisation is an excellent indicator of culture and a strong indicator of a powerful employer brand.

- Alumni networks are a great way of building and sustaining employer brand. Facilitated well, they are a robust source of referrals to potential new hires from ex-colleagues who support the organisation's brand and values.

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The logo for the Institute of Internal Communication is a red rectangular box with a white triangular shape in the top right corner, resembling a folded page. The text "Institute of Internal Communication" is written in white, bold, sans-serif font within the red area.

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