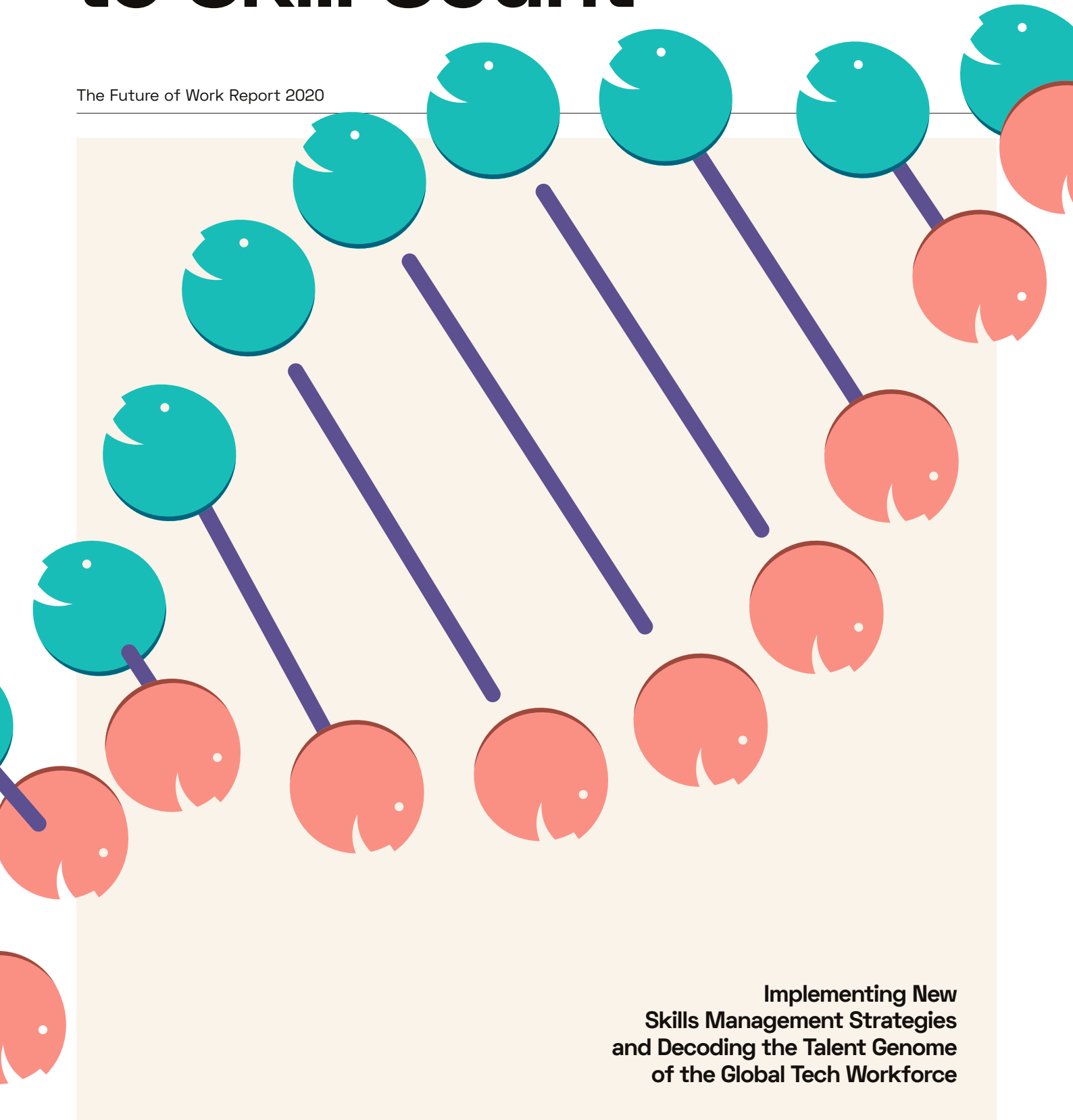


From Headcount to Skill Count

talent alpha

Trends
Solutions
Tools
October 2020

The Future of Work Report 2020



**Implementing New
Skills Management Strategies
and Decoding the Talent Genome
of the Global Tech Workforce**

partners:



Stop Thinking FTEs - Think Skills to Get the Job Done



Przemek Berendt, CEO Talent Alpha

2020 will be remembered in the business annals as the year the world of work shifted, accelerated, and reinvented itself. After years of discussion about the need for Digital Transformation, the 4th Industrial Revolution, and the Future of Work, the Covid-19 global pandemic brought most businesses across the globe to a rapid halt. What happened immediately after revealed which companies had been living and breathing digitalization, automation, and total workforce management all along; those that had recognized that the core to their success was digital talent have continued to thrive in the ever evolving new reality.

I am proud to share with you this comprehensive report which is the collective work of Talent Alpha's own experts, and our dedicated partners and friends, with whom we analyzed many of the forces that are shaping what

we used to call 'the future of work'. The 'new reality' we now find ourselves in is an environment where the skill half-life is now no more than 5 years, and where the physical proximity to the job to be done is no longer a requirement. At the same time, the growing talent gap is forcing companies to forget about lifetime employment and is pushing them to find more creative ways to access the skills that are required to get a specific job done.

This report touches on many concepts that we believe will become the buzzwords in executive video calls (indeed, the executive floor and rooms are no longer required) in the months to come.

I invite you to join me on this exciting journey and I encourage you to join the related discussions focused on managing your skill count, decoding the talent genome, measuring human cognitive abilities, and digitizing Talent on the Human Cloud.

REMOTE, DIGITAL, DISTRIBUTED, SKILL-ORIENTATED. 2019/2020 BIG SHIFT TO THE NEW REALITY OF HR

60%

60% more staff working remotely ¹

149

149M new technology jobs to be created by 2025 ²

75%

of enterprises expect talent shortage for key roles in IT, analytics and special skills areas ³

3

In most companies between half and all of the workforce will need to change their skills in the next 3 years ⁴

32%

of employers are replacing FTEs with contingent workers ⁵

(1) Number of specialists working remotely at least partially, Gartner, 2020
 (2) Microsoft, 2020
 (3) Everest, 2020
 (4) Deloitte, 2020
 (5) Gartner, 2020

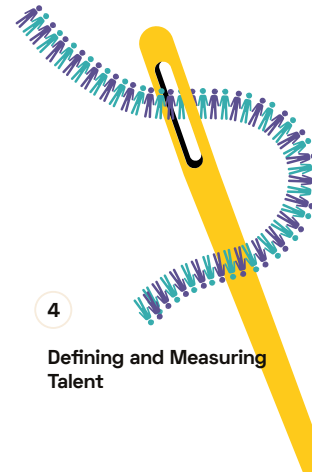
From Headcount to Skill Count

October 2020



1

The Shift from Headcount to Skill Count – a Global Megatrend

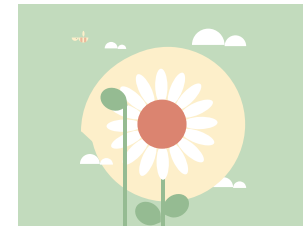


4

Defining and Measuring Talent

2

The Skills Needed for the Post-Covid Reality



5

Gardening Talent – Retaining and Developing Skills across your Organization

3

Addressing the Global Tech Talent Gap



6

Total Skills Management and The Human Cloud



Thank-you

Talent Alpha would like to extend a sincere thank-you to our partners, webinar speakers, and everyone who kindly contributed to the creation of this report. A special thank-you goes to:

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media partners:



1. The Shift from Headcount to Skill Count – a Global Megatrend



Traditionally, managing your headcount means finding and fitting individuals into predefined roles that were created for a fixed job architecture. And in many cases that's like trying to find the right sized painting to match a predefined frame size, or having to cut a painting down when it doesn't fit.

Managing your skill count, however, requires a totally different approach. Skill-based management allows an organization to assign people to multiple tasks across many teams. This also means you can be more agile - inviting specialists to complete only specific parts of the process, and mixing resources from both inside and outside your organization. And that's good news, as a recent study found that being a part of multiple teams can positively influence an employee's overall job performance by increasing the size of his or her information-sharing network.

Many companies are already using this approach - a recent report from [Mercer revealed that 39% of](#)

[companies are going to use more flexible talent pools and 77% of executives see contingent workers as playing a far greater role in the provision of missing skills. Worryingly, however, the same report highlighted that just 34% of HR leaders are investing in workforce learning and reskilling as part of their future of work strategy - and more worryingly still is that upwards of 40% of HR leaders are unaware of the skills their workforce possesses.](#)

Complementary to skills, attitudes are also being seen as a key ingredient to the skill and competency model. Attitudes are consistent behaviors, emotional intelligence traits, and beliefs that influence an individual's approach to a variety of things such as ideas, persons, and situations.

In order to effectively manage skills, you need a complete understanding of the talent available to you, managers who can manage people's strengths, and the technology to help you orchestrate the agile flow of skills in your organization.

Expert view

Monique Burns Thompson
Senior Lecturer of Business Administration, Harvard Business School

There's a significant shift taking place - not only around our ability to adapt our businesses to the new Covid-19 world, but also regarding how we access the immense skills and resources available to us. **Our physical geography is no longer a barrier - our location on the planet has been entirely removed from the equation, which should theoretically make for a more equal, equitable and accessible learning and earning platform.**

We see a move towards the inclusion of talent, rather than the elimination of talent - a simple but powerful shift that's focused on making sure you have the right people with the right skills and talents available to you at the right time. One challenge that Covid-19 has brought to the fore, however, is the efficient and effective management and development of remote teams. We are now able to build highly skilled, specialized and diverse teams, but remote leadership is a relatively new skill that's now present in nearly all workplaces. Identifying core personality types, their motivation triggers, and engagement barriers is the métier of collaboration, yet it is a skill that many managers have still to develop.



Unlock the Talent Genome

Unleash Talent and Productivity
with People Analytics and the Human Cloud

With 86% of organizations believing talent shortages are a barrier to achieving business outcomes* in times of Covid-19 and ongoing digitalization, the key to success will be:

Maintaining and improving productivity in the New Reality



Ronak Doshi, Vice President, Everest Group

Understanding the skill inventory and its potential with Talent Analytics



Przemek Berendt, CEO, Talent Alpha

Unlocking specialists' potential in the Human Cloud



Matthew Mottola, CEO Venture L, built the Microsoft 365 freelance toolkit

Join our Webinar on

November 19th

10:00 EST / 15:00 GMT / 16:00 CET

Register

2. Business & Talent in the (Post-) Covid Reality

Even before Covid-19, it was clear to most that the 'traditional' way of working was fast becoming a thing of the past. Thanks to Covid-19, however, we have seen it come to a crashing halt and the Future of Work is officially a reality for all of us.

In the New Reality, companies are focusing on resilience, flexibility, and effectiveness. They need to be able to scale up or scale down their resources easily, and secure the skills they need to get things done exactly when they're needed.

For Businesses - True Transformation

Although everyone is aware that the world will no longer be the same and that the future of work advanced

A list of increasing and decreasing skills

Increasing skills

- Judgment and Decision making
- Interpersonal Communication
- Fluency of Ideas
- Active Learning
- Virtual Collaboration
- Systems Evaluation
- Complex Problem Solving
- Cognitive Load Management
- Education and Training
- Social Perceptiveness
- New Media Literacy
- Cross-cultural Competency

Decreasing skills

- Finger Dexterity
- Procedural Problem Solving
- Equipment Maintenance
- Process Control
- Reaction Time
- Control Precision
- Traditional Media Literacy
- Operation Monitoring
- Economics and Accounting
- Troubleshooting
- Physical Stamina
- Visual and Auditory Acuity

ten years in just a couple of months, many companies have not yet gone through the real internal changes necessary. Thanks to public aid and decision freezes, many enterprises were able to postpone or even stretch out critical transformation processes. But the change is inevitable and we are starting to experience it now. To survive and succeed, companies are being forced to implement strategies such as:

- Redefining business foundations e.g. the reprioritization of projects, tasks, products or production lines. Moving parts of the business online
- Rebuilding outsourcing strategies: strengthening supply chain security by reshoring critical processes and choosing nearshore locations instead of offshoring, moving non-critical operations to more cost-effective, yet secure locations
- Strengthening diversity - from geographical to cultural
- Automating as much as possible
- Securing infrastructure and implementing cyber-security solutions
- Setting up new tools supporting remote working: from online collaboration tools, through HR Tech solutions to Talent Analytics
- Workforce Skill Audits - assessment of skills vs. the job to be done, setting upskilling/reskilling strategies, and implementing total workforce/skills management strategies

There are many predictions for the long-term impact of Covid-19 in the workplace. Gartner predicts 9 implications for the Future of Work including a continued shift to remote work, an increase in data collection and processing including the more frequent use of technology to monitor employees through methods such as virtual clocking in and out, and an

expansion in the use of contingent workers to maintain more flexibility in workforce management. They also believe employers are realizing the importance of encouraging employees to develop critical skills that might open up multiple opportunities for their career development, rather than preparing for a specific next role.

For Individuals - from Earning to Learning

For most of us, Covid-19 represents the biggest period of uncertainty and disruption of our lifetime. Whether it has meant a change in the way we work - i.e. working remotely, with all the associated challenges this sudden shift has caused (connectivity, accessing hardware, even finding a physical place to work), or being suddenly made redundant and being left to look for a new job in this unfamiliar landscape.

Covid-19 has made us look more closely at ourselves and has highlighted our own strengths and weaknesses. It has forced us to carry out our own personal skill and talent audit. The World Economic Forum predicts that 65% of today's jobs will no longer be around in 15 years, and while we may not be able to predict what they are, specialists stress that soft skills such as emotional intelligence or learning agility will be crucial to allowing people to adjust to the new reality. Covid-19 is forcing us to embrace the concept of simultaneously developing multiple career or earning streams and to develop a career portfolio.

We are all being forced to reconsider our future earning and income strategies and for many of us this may mean a shift from earning to learning.

IN OUR 'RETHINKING THE WORKFORCE' PLAYBOOK WE SUMMARIZED THE BIG SHIFT WE EXPERIENCED:

Area of Focus	The World We Knew	The New Reality
Business	Expansion	Resilience / Sustainability
Supply Chains	'Just in Time'	'Just in Case'
Workforce	Employees	Skills / Job to be Done
Talent Management	Managing Headcount	Managing Skill Count

Expert view

Tony Saldanha
President of Transformant,
former VP Procter
& Gamble

When we consider that Digital Transformation is first and foremost about business and people, not about technology, it becomes clear that the Covid-19 crisis is an opportunity for true transformation and reinvention. I see three core areas that are critical for any transformation:

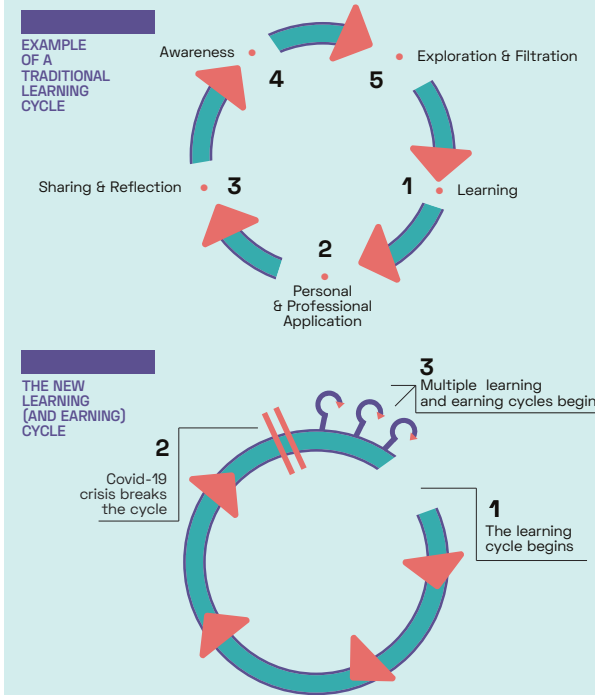


1. Reward systems - they must reward disruptive thinking not the stable running of operations and incremental improvements

2. Digital capability and skill upgrades - for EVERYONE not a select few, so everyone understands the technology and its capabilities

3. The Total Reimagination of the Business or Career Strategy - create and update your strategy and then identify how digital technology can help you, not the other way around.

Traditional learning cycles typically include periods of learning, application, reflection, discussion, and further exploration, leading to further learning etc. The total disruption caused by the Covid-19 crisis, however, means that this cycle is broken and we see it splinter into multiple, simultaneous learning (and earning) cycles that for many will become a lifelong process. In fact, some like to consider life-long learning as a 60-year curriculum, as the employee of the future will more likely have a new job every five years for 60 to 80 years, and every one of those jobs will require skills that were not acquired in college. The WEF refers to this as a move away from traditional, front-loaded accreditation and siloed certificates, to a system of lifelong learning infused with a shared set of skills-based indicators at its core.



Understanding the Talent Genome



Przemek Berendt
CEO, Talent Alpha

Understanding how an individual's technical skills, soft skills, cognitive abilities, and personality traits are interconnected and inter-related has become mission-critical knowledge for any organization looking to survive and thrive in the new reality.

However, most of the day-to-day interactions that we would normally use to gather tiny, often subliminal, signals about an individual or team-member's traits are now missing, as our work lives are filtered through the lens of the video conference where the focus is the specific issue being discussed in the meeting.

As outlined later in this report, there are many platforms that can measure and track data related to hard skills, soft skills etc., but these are often one-dimensional and can lack the complex, multi-dimensional, contextual and holistic nature of what we believe is an individual's innate 'Talent Genome'.



Dominika Zaremba
Head of Talent Science, Talent Alpha

Decoding the Talent Genome

If organizations are to build a business that is truly fit for the future, we believe they need to consider and map talent and skills in a new, more 'molecular' way.

We see the Talent Genome as made up of the complex interconnection of four talent 'strands':

- **Hard / Technical skills** – an individual's measurable knowledge or proficiency in a particular topic or field
- **Cognitive ability** – an individual's capacity to remember, reason, hold attention, think, read, and learn
- **Social skills** – a collection of skills that allow an individual to interact effectively and harmoniously with other people
- **Personality traits** – the measurement of an individual's unique characteristic patterns of thoughts, motivation, feelings, and behaviors

Companies have long invested in the identification and measurement of these talent strands, however, it is not enough to simply measure and map the strands separately. It is vital that we consider them collectively, and additionally, consider how each strand is activated

The Talent Genome in Action – a Case Study

CLIENT:

A \$50+ billion Swiss multinational pharma company with 125,000 employees

CHALLENGE:

To drastically improve the recruitment process by focusing only on candidates with the highest potential to succeed in the role

APPROACH:

Talent Alpha used our Talent Genome approach and methodology to analyze over 200 candidates in the recruitment process for a Data Engineer role

RESULTS:

Within days, the company was able to identify candidates who had the best matching skill-set and psychometric profile for the role and company culture

ADDED BONUS:

The candidate experience was greatly enhanced for those who applied for the role

depending on the context in which it is applied.

Context might be the wellbeing of the individual, the specifics of the task or project at hand, the group or team dynamics, the team leader, or the organizational culture. The context will directly impact how the individual performs as a function of how the talent strands are triggered or suppressed.

We consider this Talent Genome as the unique foundation for an individual's ability to learn, perform, develop, and behave.

Characteristics of the Talent Genome:

- It is based on a spectrum - from traits that can be easily isolated and described (eg. technical skills) to universal traits that everyone has, but to different degrees.
- It changes over time - talents applied and mastered over time get stronger, those that are not used frequently deteriorate over time.
- Each group or cluster of strands has slightly different levels of sensitivity or importance - hard skills are often specific to a particular role or industry, while cognitive abilities and soft skills make a difference depending on the level in the organization. Personality traits,

PUT THE TALENT GENOME TO WORK

1

Map the Talent Genome within the existing workforce to understand the Talent Genomes of the best teams or specific individuals

2

Identify what the ideal candidate's Talent Genome looks like, so the selected individual meets not just the technical requirements of the role, but also fits the culture and values of the organization and team

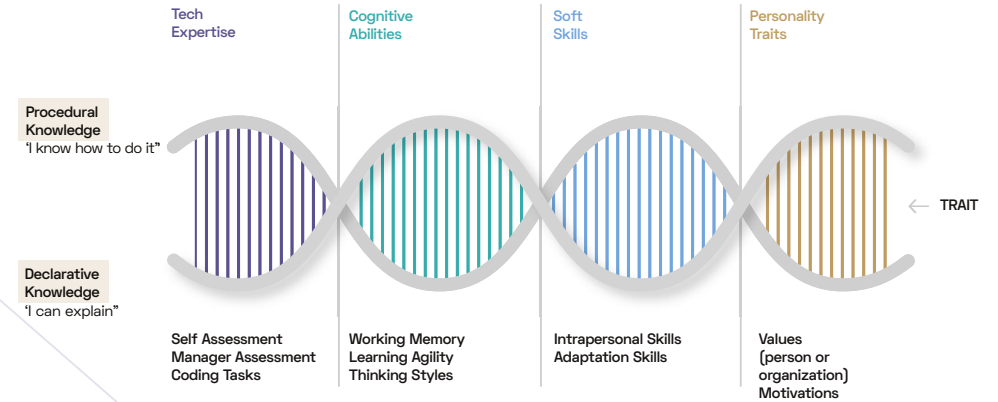
3

Decode the Talent Genomes of candidates to enable the best matches possible

4

Overlay 1, 2 and 3 to help identify whom in the candidate cohort should be focused on first

TALENT GENOME



however, are universal - everybody has some level of a particular trait that will give an advantage in certain environments and circumstances as these traits continually shape our thoughts and behaviors.

- An individual's Talent Genome is completely unique – predisposing the person to achieve the best results in a particular set of circumstances. Finding the best match of context, environment and challenges allows us to Unleash Talent.

The organization of the future needs to use Talent Genome technology that will:

- Identify, assess, and measure all four clusters of the Talent Genome

- Continuously analyze and provide feedback on each of the four talent strands wherever possible
- Match an individual's Talent Genome to context so performance can be maximized

Talent Alpha and the Talent Genome

To decode the Talent Genome, we use:

- An AI-enabled tool to measure hard/tech skills which can map over 3,500 unique skills at record speed
- Our scientifically validated psychometric tool that ensures the highest possible psychometric standards when we measure cognitive abilities and soft skills

- The integration of 3rd-party assessment tools to provide additional skill measurements e.g. coding capabilities
- A proprietary approach to assessing and measuring personality traits and organizational cultures to allow for the best possible match of individual to organization.

We consider this Talent Genome as the unique foundation for an individual's ability to learn, perform, develop, and behave.

3. Addressing the Global Tech Talent Gap



The Tech Talent Gap is not a problem that suddenly just emerged because of Covid-19. However, in the blink of an eye, the 4th Industrial Revolution became the new reality, not only creating new opportunities, but also creating new challenges for millions of people and putting additional pressure on a talent pool that was already stretched to breaking point.

According to OECD and WEF data, the fact that every industry is pursuing Digital Transformation only increases the importance of tech skills, which is not only relevant for IT specialists, but to the entire global workforce. According to the EU Commissioner for the Digital Economy, after 2020, up to 90% of jobs will require digital skills, meaning that as digital skills become an essential competency and the backbone of economic growth, we will need an immense amount of tech talent and we will need it fast.

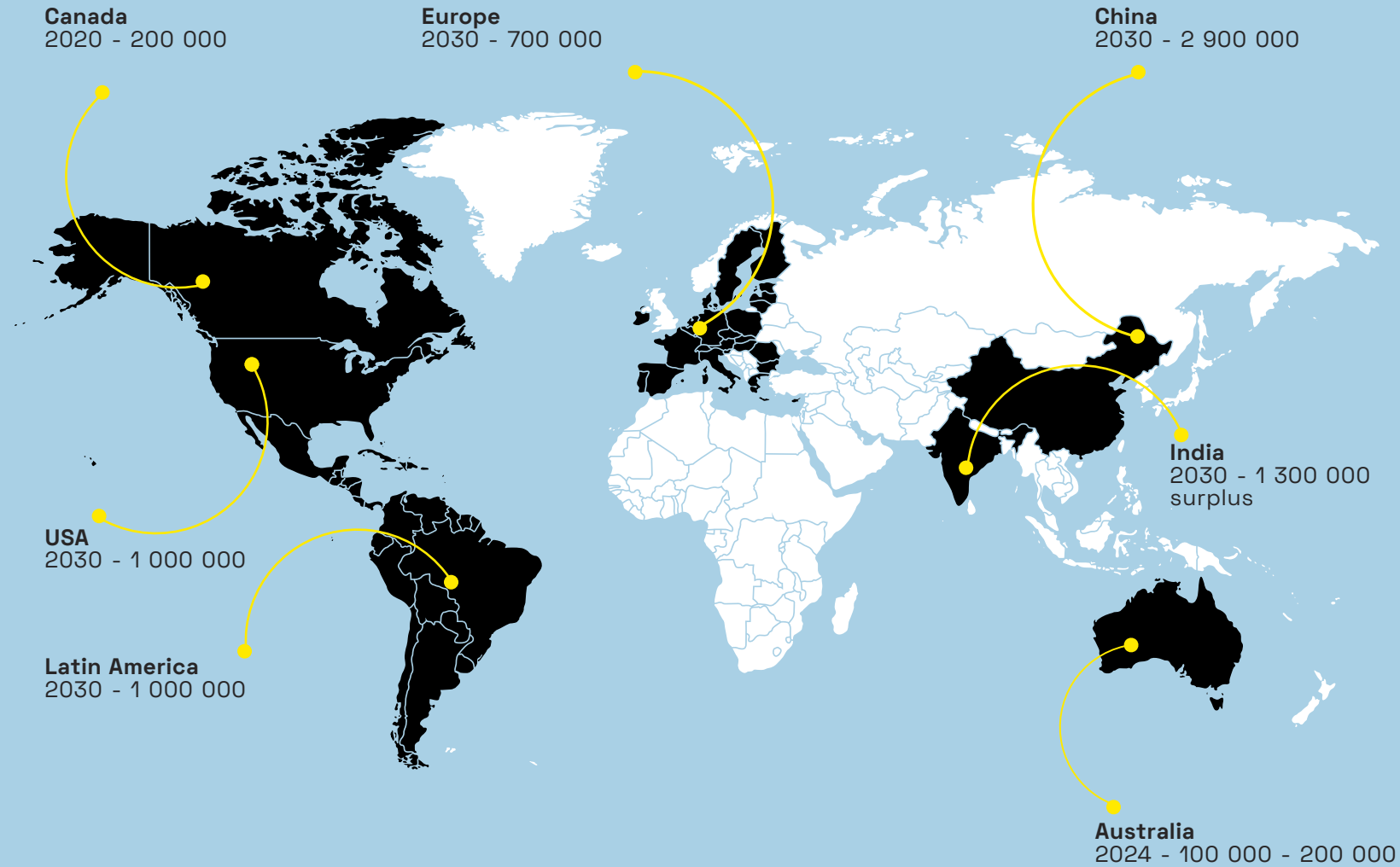
Expert view

Kerry Hallard
Global Technology & Business
Services Council – A Global
perspective on the tech
talent gap



The Covid-19 crisis has only served to further demonstrate the importance of the ICT sector, as highly skilled professionals from around the world rapidly deployed work-from-home models, digital transformations, and provided critical support and “essential services” to various sectors including governments. So, as companies continue to accelerate their digital transformations and the deployment of key technologies, such as automation, Cloud, IoT, AI, 5G and data analytics, there will be an ever increasing need to access talent and best-in-class partners globally. Now is not the time for short-termism or protectionism - access to a global IT Talent pool is vital. Research has revealed that trust in partnerships increased throughout Covid-19 as organizations moved to collaborate in an agile, flexible, and transparent way. We need to continue this more fluid and global approach to the sourcing of global talent – the shift from a city-centric model to a distributed one, and from full-time employees, contractors, and gig workers to partner organizations, robots, and AI. This help will build capability, capacity, agility, and innovation where and when it is needed.

SIZE OF THE TECH TALENT GAP IN DIFFERENT COUNTRIES AND CONTINENTS



Canada
As reported by its government, in the coming years, Canada's IT sector may face a talent shortage of around 200,000 due to its dynamic development.

USA
CompTIA reported that the USA currently is in need of almost 1 million additional IT specialists. This trend is forecast to continue at the same level until 2030, according to Korn Ferry.

Latin America
According to the IDC, Latin America currently has nearly 500,000 unfilled tech positions. Forecasts by Korn Ferry suggest that this gap might increase to 1 million by 2030.

China
As stated by its officials, by 2025, China may be facing a vast talent gap of 9.5 million in the IT industry alone. Experts from Korn Ferry estimate this shortage may shrink to around 2.9 million by 2030.

Europe
Informatics Europe estimates that the EU is currently experiencing an IT talent shortfall of up to 1 million. On the other hand, a white paper on the Growth of Europe forecasts a potential gap of 700,000 IT workers in the EU by 2030.

India
Nasscom suggests that in the coming year India will be experiencing a shortage of up to 780,000 IT experts. Forecasts show that this trend is set to change drastically, as by 2030 India will have a Tech Talent Surplus of 1.3 million.

Australia
A Digital Pulse report by ACS, states that by 2024, the Australian tech workforce might be experiencing an acute shortage of up to 100,000 IT specialists.

Global Tech Talent Gap - Estimations and Predictions

As demonstrated on our map, the size of the global tech talent gap is difficult to estimate consistently.

This is due to several key factors. Firstly, there are different measurement methodologies - both globally and locally.

Some research takes into account more accessible sources such as the size of the population of working age and GDP growth trends, while others employ a more nuanced approach that takes into account variables such as the number of hiring organizations, investment sizes, education programs etc. Secondly, the definition of 'tech' itself comes into question. Some definitions

strictly limit this category to individuals operating in the IT or ICT sector where they are in the highest demand, while others use a broader definition of tech specialists and include those working in industries such as finance, healthcare or manufacturing. Finally, local estimates often refer to specific points in time - counting the current gap or giving predictions for 2020, 2030 etc.

Nevertheless, in reviewing available global data we can estimate the current global gap, (when defined as the difference between market demand and the current supply within the ICT sector), as close to 10 million.

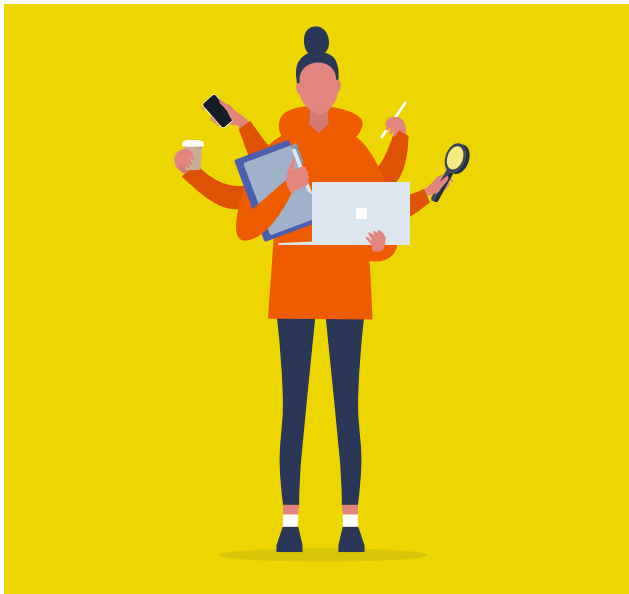
With Covid-19, we are now facing significant layoffs in many tech com-

panies - it is estimated that over 3% of IT employees in India will be lost due to massive layoffs. We also see more resources becoming available on the market in other countries, especially with regard to less qualified roles.

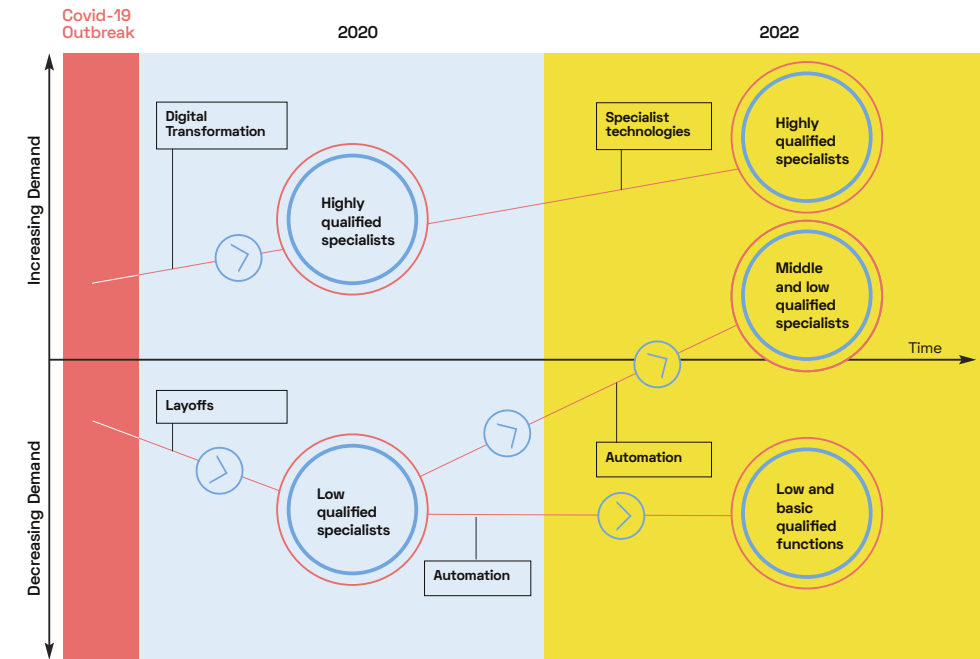
Overall, however, the tech talent gap is still growing, and more tech talent (particularly highly skilled talent) will be needed in the coming years. SIA experts predict strong growth in the IT temporary staffing market, which is expected to reach a new high of \$32.5 billion in 2021. This represents the greatest annual growth rate for the sector since 1998. Microsoft predicts that by 2025, the global workforce will need around 149 million new technology-oriented jobs: nearly 100 million in software development, more than 20 million in data analysis, Machine Learning and AI, and a similar number in cloud and data roles.

What does all of this mean for companies?

We will face a short period of time where there will be a higher liquidity on the IT labor market (mainly in less advanced roles), while at the same time, demand for highly qualified people will be very high. **The war for talent will become fiercer than ever - companies who do not secure the skills for future projects now will face significant difficulties in future.** According to IDC, by 2022, the financial impact of the IT skills gap will grow by 157% in comparison to 2019, hitting \$775 billion worldwide, as a result of delayed release of products/service, missed revenue or increased costs. This number will only grow.



DEMAND FOR IT SPECIALISTS OVER TIME



Expert view

Larry Solomon SVP, Chief People Officer, EPAM

"We're seeing many of our customers accelerate their digital transformation initiatives due to the pressures of COVID-19, the rapidly changing economy and shifting customer demands. With that comes the need for companies to quickly pivot their resources and augment their teams with skilled engineers, designers and consultants to focus on these transformation strategies - scaling up and down as requirements arise". "EPAM recognized early on that this required a network that extended beyond our 'walls' and strategically developed a platform that can be applied to

any large enterprise. Using our network of 10,000+ IT experts that work remotely around the world, EPAM Anywhere offers a new type of talent delivery model. This on-demand community is supported by enterprise tools and platforms for upskilling, project management, and collaboration. To find the best talent in this environment, companies need to think beyond traditional talent acquisition models and explore more agile approaches that enable them to focus quickly on finding the skills and capabilities they need to compete at a global scale." www.epam.com/larry-solomon



[12] www.nationalheraldindia.com/flick-past/15-lakh-it-professionals-might-lose-jobs-due-to-covid-19
 [13] [irp-cdn.microsoftsite.com/27373780/files/uploaded/US%20Staffing%20Industry%20Forecast%204-7-2020%20-%20Staffing%20Industry%20Analysts%20.pdf](http://cdn.microsoftsite.com/27373780/files/uploaded/US%20Staffing%20Industry%20Forecast%204-7-2020%20-%20Staffing%20Industry%20Analysts%20.pdf)
 [14] blogs.microsoft.com/blog/2020/06/30/microsoft-launches-initiative-to-help-25-million-people-worldwide-acquire-the-digital-skills-needed-researchin-a-covid-19-economy/
 [15] www.idc.com/research/viewtoc.jsp?containerid=US44800319

Mind the (Skills) Gap



By Rohitashwa Aggarwal
Practice Director - Global Sourcing, Everest Group



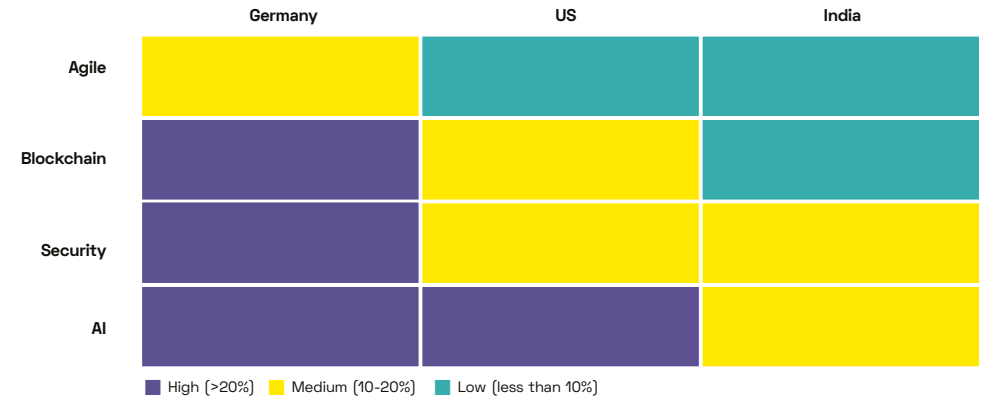
Technology advancements and rapid transformation across industries are fueling an aggressive demand for emerging IT skills. As organizations scramble to keep pace with disruptive innovation, sourcing skilled and deployment-ready IT talent is becoming critical for sustaining a competitive advantage. The challenge? There isn't enough supply to meet demand.

A recent Everest Group study found that 86%¹ of organizations believe talent shortages are a key barrier to achieving business outcomes. Everest Group's analysis shows four key trends creating this skills gap, with unique nuances across geographies and industries.

- 1. Rapid technological evolution is creating new roles and shrinking the half-life of existing ones.** The expanse and nature of technical and non-technical competencies in IT roles are shifting significantly, shortening the half-life of existing roles and creating entirely new ones. As organizations experiment with and scale the adoption of next-generation IT concepts (e.g. AI/ML, big data, blockchain, RPA, and IoT) to gain a competitive advantage, new roles are emerging (e.g. WFH administrator and network guardian etc.) and the associated war for talent is intensifying.
- 2. Demand-supply gaps are more pronounced in developed markets; offshore**

1. Charting the Skilling Journey to Build the IT Services Talent of Tomorrow: Replacing the Commodity IT Services Role Definitions
2. Guidebook for Blockchain Adoption in Insurance: A Compilation of Insights from 30+ Projects
3. Everest Group analysis, 2020
4. Building a Workforce of the Future - Upskilling/Reskilling in Global In-house Centers

DEMAND-SUPPLY GAPS FOR TECHNOLOGY SKILLS BY LOCATION 2020



locations are able to develop new skills more quickly. Developed markets have the largest demand-supply gaps across key emerging IT skills, with demand outpacing supply, sometimes by nearly double² for skilled blockchain resources. Developing markets such as India offer a lucrative talent-cost proposition with relatively lower demand-supply gaps, higher scaling potential given the large talent pool, and a vast educational system that produces five times more STEM graduates each year than the US.

3. Talent supply and quality is grossly exaggerated. Quantitative assessment of the skills supply across markets and industries might lead one to believe that the available talent can satisfy demand. For example, several sources estimate India's AI talent pool to be more than 100,000, but Everest Group's analysis suggests that the employability rate for this talent is less than 15%³ as the talent often lacks implementation knowledge.

4. Organizations are betting on reskilling/upskilling. Retraining an existing employee costs much less than hiring a new one. Businesses are focusing on retraining employees with emerging skills to remain competitive and plan for future demand. In a recent Everest Group study, 60% of organizations acknowledged that reskilling/upskilling will be their predominant approach to addressing this skills gap. Infosys' Lex, Wipro's TopGear, and TCS' Ion are notable examples of organizations leveraging learning platforms to equip employees with skills for the future.

Demand-supply paradox
This demand-supply gap is not without its contradictions. An increased supply in talent markets does not always fulfil unmet demand, especially if the available skills are not aligned with demand. Covid-19-prompted layoffs are flooding talent markets, but doing little to address the demand for hot skills. Our analysis reveals that less than 3% of the overall Covid-related layoffs in the Indian IT

sector included next-generation tech skills, which will not have any material impact on the corresponding demand-supply gap⁴ for these skills.

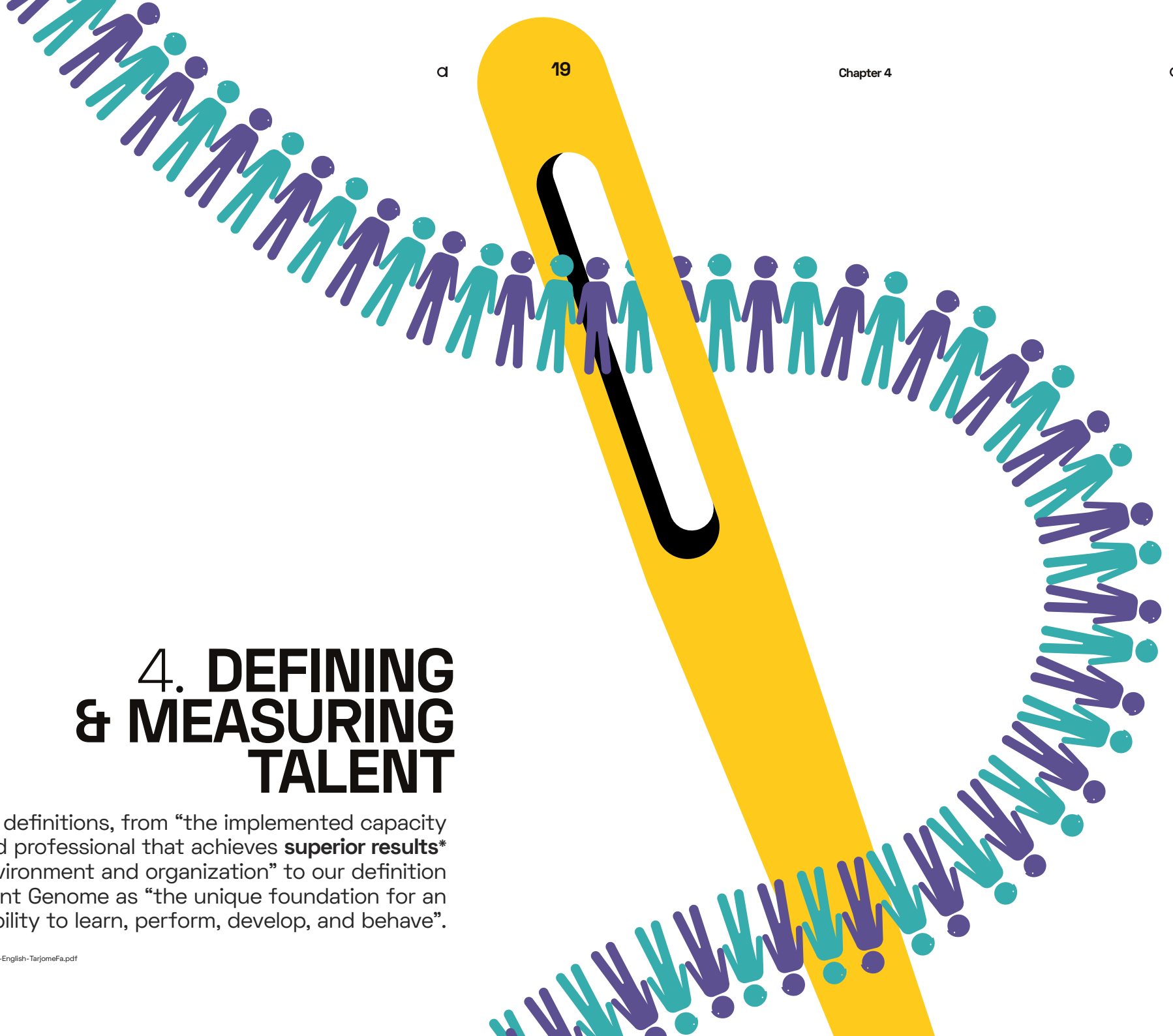
The way forward
Organizations must address the skills gap and help employees develop new capabilities to remain competitive in an increasingly innovation-driven economy. The silver lining of the "Covid-19 pause" is the opportunity it provides for organizations to rethink their IT strategies, prioritize skills requirements, and build robust multi-dimensional skilling programs to meet tomorrow's needs.

Three-quarters of organizations believe that, despite Covid-19, talent shortages for key next-generation IT and analytics roles will continue. If anything, this crisis is accelerating digital transformation, which might deepen the skills gap for hot skills.

4. DEFINING & MEASURING TALENT

Talent has many definitions, from “the implemented capacity of a committed professional that achieves **superior results*** in a particular environment and organization” to our definition of the Talent Genome as “the unique foundation for an individual’s ability to learn, perform, develop, and behave”.

* tarjomefa.com/wp-content/uploads/2017/01/5936-English-TarjomeFa.pdf



In simple terms, however, if we think of talent as a unique and changing set of skills that are applied in a specific or relevant context, it helps us understand why some people overperform and others underperform or have trouble applying their abilities in a particular project or team - it's not that they aren't skilled, it's just that their specific skills are out of context. Skills or knowledge of a specific technology can give an advantage in one situation, but no advantage in another. **The right match of skills-to-context is key for increasing productivity and satisfaction. If an individual's skills are ill-defined and subjectively measured, there is the risk of a no skill-to-context match and therefore an associated drop in productivity and satisfaction.**

This is why it is crucial to reliably capture the true skill levels of an individual and offer them a variety of ways they can be used in their current job or show an alternative context in which their skill would let them thrive. Helping people discover their skills and then supporting them to forge them into a talent increases engagement and performance and reduces attrition. It also demonstrates a true interest in the wellbeing and professional development of the individual.

Talent is not:

- **Extremely rare** - most people have an ability or a skill that is unique, highly relevant and therefore useful in a specific context
- **Always innate** - in general, abilities are more biologically determined, but skills are learned and nourished with repetition and practice
- **Only technical** - so called 'soft skills' such as negotiation or being able to harmonize personalities are as powerful as technical skills.

We need a dynamic approach to skills

Gone are the days of a job for life. Even pre-Covid-19, The McKinsey Global

Institute estimated that as many as 375 million workers (or 14% of the global workforce) would have to switch occupations or acquire new skills by 2030 because of automation and artificial intelligence. Covid-19, has brought this into sharper focus.

Organizations must therefore learn how to match workers to new roles and activities, while individuals (in every industry sector) must take a more agile approach to identifying and developing new skills and considering them in an unpredictable and constantly changing environment.

The Power of Data - Talent Analytics for Companies & Employees

Talent Analytics, also referred to as People Analytics or HR Analytics, is defined by Laurie Bassi, one of the world's leading authorities on the decision-science of human capital management, as 'the evidence-based and data-driven approach to better decision-making'. And according to LinkedIn's Global Talent Trends 2020 report, it's currently the 2nd most popular talent trend in recruitment and HR.

Thanks to Covid-19, Talent Analytics is taking on an even more important role, as businesses are challenged to manage their enterprises in new ways and find themselves having to embark on a total reconsideration of their business needs, including the number of employees and the associated skills required. If the organization doesn't have people or the skills they need now, will they develop them internally or consider a contingent workforce or even automation to com-

Talent Analytics can:

- Improve talent acquisition, development and retention
- Improve the fairness of the recruitment and selection process
- Increase employee satisfaction
- Increase job performance and deadline compliance
- Identify and reward high performers
- Increase the number of successful client-to-talent matches

plement their staffing needs?

This type of decision making is where Talent Analytics can play a vital role.

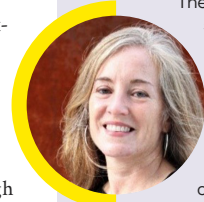
Data-driven workforce management

By gathering, mapping, and indexing information (much of which already exists within the organization), organizations are able to gain valuable insight and information about their workforce - which can in turn improve bottom-line results through productivity gains and cost reductions. This analysis allows them to identify inefficiencies and then confidently reshape their organization to let the right talent shine through, for a leaner, optimized workforce.

By generating individual employee and organizational skill profiles, organizations can create a tailor-made foundation for upskilling, re-skilling and workforce planning. It helps identify skill gaps on an organizational, employee, and individual level and build a targeted learning and development plan based on skill maps.

Expert view

Kristina M. Hardy,
Disruptor, Novartis Business
Services X Team



The unexpected situation with Covid-19 has instigated a complete re-imagining and recalibration of not only where we work, but also how we work, and to a degree, even the actual work we do. The most recent entrants in today's workforce have grown up using mobile supercomputers in daily life, while those with longer tenure may still find themselves with one foot in old-school ways of working. This duality will not be feasible for long. At Novartis, how we think about work and recruitment is changing rapidly: we consider not just the fulfilment of immediate tasks, but think ahead to where our organization will need to be in the next 2 to 5 years, and beyond, so a clear understanding of the richness of talent and depth of resources we already have is vital. We are shifting our paradigms particularly between our talent and the company, seeking to inspire and 'unboss' everyone. We are building an empowered, learning-focused organization wherein each associate charts a course toward goals and outcomes, having been given a directional map, trust, and space to complete the journey, and in return, leaders guide and encourage. It's a thriving, healthy culture, powered by curiosity!

Talent Analytics in Action

INSIGHTS FROM TALENT ALPHA WORKING WITH 250+ COMPANIES GLOBALLY

Talent Alpha uses Talent Analytics to create a digital representation of an individual's unique talent genome, transforming how tech talent is measured, managed, and accessed and shared across organizations globally.

Talent Alpha's platform gives deep visibility of both the technical and soft skills of an organization's total talent pool, which can include full-time staff, contract workers, on-demand talent from the Human Cloud and even potential candidates.

By collecting information from multiple data-sources (integrating simply with other internal and external tools) and presenting it in a clear and easily managed format, Talent Alpha is able to provide a 'golden source' of data that helps complex and dispersed organizations make data-driven decisions. By understanding and indexing an organization's skill set, companies can match specialists to the right project or opportunity, inform upskilling and reskilling initiatives and support the external recruitment process.

The platform also allows organizations to use the Human Cloud to fill identified gaps in their tech teams by providing immediate access to thousands of tech specialists. **Organizations can 'borrow' tech resource from other companies (there is currently a talent pool of 13,000 specialists)**, where the platform has assessed up to 500 data points on the precise technical skills, cognitive abilities, and personality traits of every individual. You can then make data-informed decisions, safe in the knowledge that you know exactly who you're working with and what value they'll add to your project.

You can even use our platform to find new projects for people on your own internal bench.

The goal is to unleash talent and Talent Alpha is using Talent Analytics to power our journeys.

Talent Analytics - Case studies from inside Talent Alpha

As you'd expect, we use Talent Analytics daily for our clients and our own internal teams. Here are a few examples of Talent Analytics in action:

Recruitment: Finding the best candidates in hours

A multinational company looking for data engineers uses Talent Science and AI/ML systems provided by Talent Alpha to sieve the candidate base and identify potential employees. Thanks to technical skill and psychometric assessments the talent analytics report ranks the candidates against the job description helping to identify the most promising matches in just hours. The company is then able to commence interviews with an already vetted candidate list. The speed and efficiency of matching candidates to role requirements is increased by up to 10 times and the number of data points captured increases by 30%.

Recruitment: Matching the candidate to the existing team

Every Talent Alpha candidate is asked to complete psychometric and tech skill assessment. We then analyze the fit between the candidate and the existing team - identifying complementary skills and potential friction points - e.g. who has higher levels of conscientiousness and therefore a predisposition for attention to detail and therefore thoroughly tests before release.

Team management: Next-level problem-solving

A software company uses Talent Science data to solve problems within teams. Having been informed about falling engagement in a UX Team and steadily decreasing satisfaction rates in the QA Team, analysis revealed the QA's dissatisfaction could be attributed to their non-conforming and conscientious nature - i.e. they were rarely happy with the results they were assessing and had very critical investigative personalities. A workshop was organized to align the teams allowing for a data-based discussion and a realignment of communication, expectations and team dynamics. What was the measurable outcome?

Attrition prevention: Project matching with data

An extraordinarily talented software engineer in a small software house was dissatisfied and believed he had to change jobs to rediscover a sense of fulfilment from his work. The shift in his satisfaction levels was spotted by the Talent Science software and in combination with data regarding the individual's interests and the technologies he would like to develop, his manager was able to have an informed and solution-oriented conversation which resulted in the specialist being assigned to a new project that was more challenging and aligned with his career development aspirations. The company was therefore able to retain a very high performing employee.

Follow our blog for research updates, academic papers, and tips for applying Talent Science in a business context.

Measuring skills

As continuously referenced throughout this report, hiring the right talent, whether for a tech role or not, is a vital and strategic concern and with the cost of hiring a developer running to as much as \$80k, it's crucial the assessment process is robust and that both hard and soft skills are rigorously assessed, making a conscious effort to constantly minimize bias. But with an ever-increasing list of hard, technical skills, and digital capabilities to measure, and a growing emphasis on the importance of soft skills, this is certainly no easy task.

TALENT ALPHA'S TOP TIPS

Abilities & Capacity

Look for solutions that measure mental abilities, working memory, task-switching "efficiency," and cognitive-load capacity - cognitive abilities hugely predict future job performance.

Agility & Openness

Measure learning agility and an openness towards new experiences. This will help predict an individual's adaptability and is crucial as it's predicted that by 2022, 42% of the core skills required to perform existing jobs are likely to change.

Innovation & Independence

Search for independent thinkers who are confident with sharing their ideas as well as leaders that create a safe environment for exploration and experimentation. In the increasingly flexible economy that values innovation, you need people that create an environment for creativity.

Employee view

Kazimierz Jakubowski Project Manager



I used a Psychometric Measurement App and was truly fascinated by the results. I learned a huge amount about my-

self and the way I work and gained a better understanding of my core abilities and strengths. This information will be hugely beneficial for my immediate career and will help me identify the skills I should look to develop in the future. I would highly recommend that anyone looking to develop their career considers taking a psychometric assessment as the results are startlingly accurate and really capture one's core personality traits.

Expert view

Dominika Zaremba Head of Talent Science, Talent Alpha



As I talk to IT managers and other corporate clients, I hear stories of frustration, confusion or pressure. A common pain is the disbelief that better business outcomes, less hassle, and happy employees are attainable at the same time. The lessons from these conversations are simple but painful. We are often not aware of our strengths and potential. We look for skills that we don't really need. We miss opportunities by not capturing the right success factors. We suffer in boring, repetitive projects, not due to lack of ambition, but because of an information and decision-making overload. We watch helplessly as others are stuck in career paths because they're taking a static view of talent. Finally, we see the skills as separate phrases on a list, rather than nodes in a network of knowledge and ability. Talent Science can change this reality and empower decision-makers to create meaningful careers and strong, smart, and adaptable companies.

Measuring Hard (Technical) Skills

Hard skills are learned abilities acquired and enhanced through practice, repetition, and education. Hard skills are important because they increase employee productivity and efficiency and subsequently improve employee satisfaction. Typically these skills are either listed by a candidate on a resume or inferred by the interviewer because of historical job titles, but when talent is in short supply, taking someone's word for their abilities or leaving it to gut feel in an interview is no longer an option.

How to measure hard skills

Luckily, there is now no shortage of platforms that offer a robust and consistent way to accurately assess a candidate's hard skills. Here we give an overview of some of the best technical skill assessment tools that can help hiring teams predict the real-life skills of their developer candidates:

Codility

Codility claims to help technical recruiters hire and train better engineers. Codility generates automatically scored reports about each candidate's coding abilities and has products for both screening and interviewing candidates. Advanced plagiarism detection, however, may mean candidates choose not to take the assessment.

Devskiller

Devskiller is a tech sourcing, screening, and skill mapping platform and offers a library of tests and challenges that relate to the actual jobs candidates are applying for. It's best for highly technical talent acquisition teams that need advanced customization and control.

CodeSignal

CodeSignal is a technical recruiting platform with three main products: screening, real-time interviewing, and Certify, which can be used as an alternative to resumes and can help recruiters and engineering managers make data-driven decisions.

HackerRank

HackerRank is a technical screening platform that targets Fortune 2000 companies with a robust and customizable platform for technical teams to recruit and hire. It offers multiple ways to assess a candidate's skills via take-home projects, online assessments, and code-pair sessions. It's great for multinational organizations in regulated industries that require and can afford compliance and heavy-duty security.

qualified

Qualified partners with the world's leading technology and educational institutions to evaluate, educate, and certify software engineers at scale. Offering detailed benchmarking statistics, plagiarism detection, and blind reviews that help identify talent based on merit and demonstrated skills, not just a shiny resume.

testdome

Testdome allows recruiters to use pre-made questions to create a test that perfectly matches the job opening, then include a link to the test in the job posting. This means only candidates that have taken the skills test are seen. Unqualified candidates are immediately removed from the process so the most qualified candidates are presented as a shortlist, helping save time.

coderbyte

Coderbyte is a platform for screening, interviews, and take-home projects. Offering over 300+ challenges to create and customize code screening assessments in minutes, their reports help employers gain a deeper understanding of how a candidate thinks, troubleshoots, and codes.

interview mocha

imocha is a skill-assessment platform, offering a user-friendly experience for both candidate and recruiter with over 2,000 interview ready skill tests, custom tests, and a robust enterprise-ready platform.

hackerearth

HackerEarth began as a platform for corporate hackathons and contests, and has since added a code screening capability. As a self-serve platform, Hackerearth allows you to get started without needing to schedule a call or contact sales. It allows an organization to screen candidates and also run internal hackathons all on one platform.

Measuring Soft (Power) Skills

Formal qualifications and technical skills are only part of the equation. The World Economic Forum identified that ten of the sixteen 'crucial proficiencies in the 21st century' that will be most in demand by 2022 are non-technical and, while Deloitte Access Economics forecasts that soft skill intensive occupations will account for two-thirds of all jobs by 2030. IBM research reveals teamwork and organizational flexibility still top executives' lists of most important attributes for successful innovation, and according to McKinsey Global Institute Analysis, as intelligent machines take over the more physical, repetitive, and basic cognitive tasks, social, emotional, and technological skills are becoming more crucial. Covid-19 has only served to increase the importance of soft skills as we are forced to rely on them while virtually collaborating with colleagues and clients in remote workspaces. Manpower Group's recent What Workers Want report also shows the rising demand for human or 'power skills' stating that, "in times of rapid transformation and uncertainty these so-called soft skills are more important than ever in workers and in leaders".

How to measure soft skills

As with hard skill measurement tools and methods, there are a vast array of soft skill measurement methodologies: Gartner offers their 7S Framework to Develop Essential Soft Skills for Leading Project Teams - Serendipity, Stimulation, Spontaneity, Swarming, Simulation, Skillfulness and Social. While Gallup recommends looking at soft skills with the mindset of a consumer rather than strictly from a business standpoint and uses five broad categories or 'dimensions' to consistently measure - motivation, workstyle, initiation, collaboration, and thought process.

Plymetrics

Leverages a patented set of 12 engaging games to fairly and accurately measure cognitive and emotional attributes in just 25 minutes. Each game captures thousands of behavioral data points then builds a profile of what makes a person and job unique.

Plum

Plum reveals 10 talents that are 4 times more accurate at predicting job success than resumes, eligibility, and past experience alone. By measuring talents such as adaptability, innovation, and communication, Plum claims to match people to jobs where they thrive, supporting the hiring, personalized career path, personalized development, and identification of emerging leaders.

Mettl

Mettl offers a complete suite of hard and soft-skill assessments. It offers customized assessments across the employee lifecycle, including pre-hiring screening, candidate skills assessment, training, and development programs. Includes recruitment assessments, psychometric tests, programming tests, aptitude tests, and learning and development solutions.

Traitify

Offers the world's fastest, picture based psychometric test, which takes just 90 seconds to complete and boasts a 95% completion rate. Traitify's test creates a profile which focuses on personality traits that make people 'great' without socioeconomic bias. Machine learning enables employers to combine employee performance data and personality data to prioritize applicants who match top performers.

Bryq

Combines the results of a personality assessment with a cognitive ability assessment to enable a matching of the ideal candidate profile to the job attributes.

Talentlens

Offers a suite of assessment tools that can be used individually or collectively to help recruit and develop employees. Uses best-in-class psychometrics to reduce the risk of bad hires and improve individual and collective performance.

Soft skills and personal attributes (often referred to as employability skills or enterprise skills) are highly transferable between industries and occupations. They include communication, teamwork, and problem solving, as well as emotional judgment, professional ethics and empathy.

Workforce Productivity – the Next Frontier in Improving Organizational Efficiency



By Rohitashwa Aggarwal
Practice Director - Global Sourcing, Everest Group

Breakneck innovation and increasing margin pressure are driving an overwhelming need for companies to focus on agility, efficiency, and precision. Having exhausted most of the benefits of labor arbitrage and automation, organizations are turning to workforce productivity to optimize service delivery. And, as remote work becomes more common, ensuring productivity is more crucial than ever.

While most organizations understand the importance of measuring productivity, actual measurement remains low, given inaccurate metrics and limited use of technology. Some organizations track employee efforts using traditional methods, such as monitoring activity, keyboard strokes, and working hours. However, many employees consider these methods to be intrusive and resist them. Clearly, organizations need to rethink their productivity strategies.



By Eric Simonson
Managing Partner, Everest Group

Why it's more urgent to resolve the productivity conundrum now

Covid-19 forced companies into what Fortune called the "world's largest work-from-home experiment." While people claim productivity has risen, most organizations do not have robust productivity measurement capabilities, so that belief is suspect, and – even if true – it's not a given that it is sustainable. The specter of sustained work from home has forced business leaders to realize that business continuity and remote work enablement were the tip of the iceberg – the real challenge is sustaining and improving productivity.

Most talent leaders agree that their workforces will operate in a mixed WFH/WFO model going forward, necessitating outcome-

Despite anecdotes about technology improving productivity, employee output growth has actually decelerated over the past 10 to 15 years.

based performance evaluation and the ability to integrate individual and organizational goals to survive the recession and thrive in the future.

Four productivity improvement levers
Organizations should target four key levers to improve overall productivity:

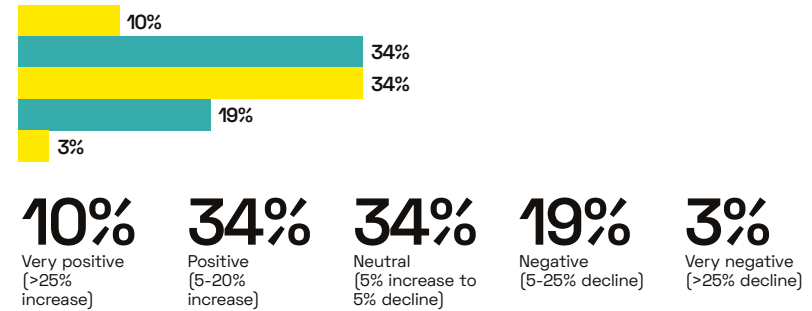
- 1. Optimize active time:** In a typical nine-hour shift, productive time is generally 40-60%¹, with time lost to non-core activities, personal time, and other distractions.
- 2. Increase efficiency:** Output levels at the top and bottom 20% of the workforce show variation of as much as 60%+, highlighting the potential to improve overall workforce output².
- 3. Improve tracking of quality:** Increasing productivity requires tracking outcome-oriented metrics and implementing interventions to improve it. To do so, you need to identify breakthrough metrics that capture both velocity and quality of output and also identify levers that improve performance and remove roadblocks, prioritizing them based on business and cost impact. This is an ongoing exercise. With continuous tracking and periodic course correction to ensure long-term success.

4. Empower the team to adjust their environment: One must appreciate that productivity is not just the result of a technology or any other single thing. It is the outcome of a lot of different components. And there is a hugely significant factor affecting productivity: at the team level, productivity is always in the context of what that the team is doing and the conditions – and constraints – in which the team operates.

It is important to remember that this is a journey – not a destination, but an ongoing

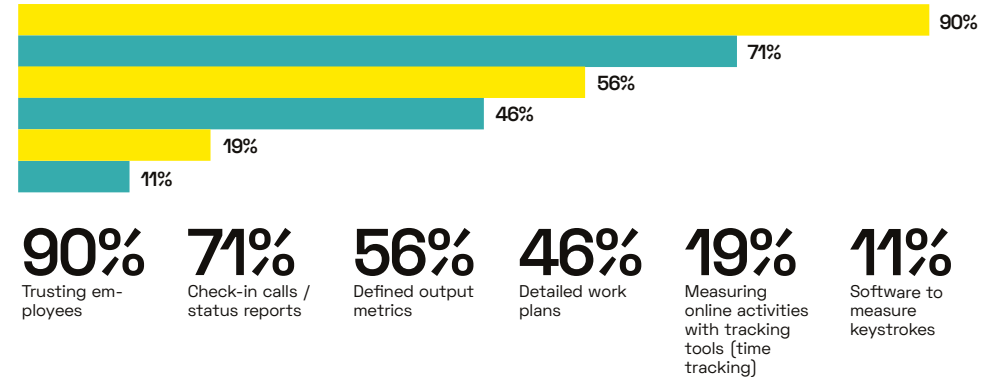
1, 2: Workforce Productivity: The Next Frontier in Improving Organizational Efficiency

IMPACT OF WFH ON PRODUCTIVITY PERCENT OF TOTAL RESPONDENTS



Overall 3x as many respondents said productivity has increased. The average improvement was just over 13%.

APPROACH TO MEASURE PRODUCTIVITY PERCENT OF TOTAL RESPONDENTS



Likely to become more prominent. Organizations need to strengthen mutual trust with employees and be specific about the data they want to track and distill for productivity tracking/enhancement.

record of accomplishment. It is also wise to remember that success breeds success.

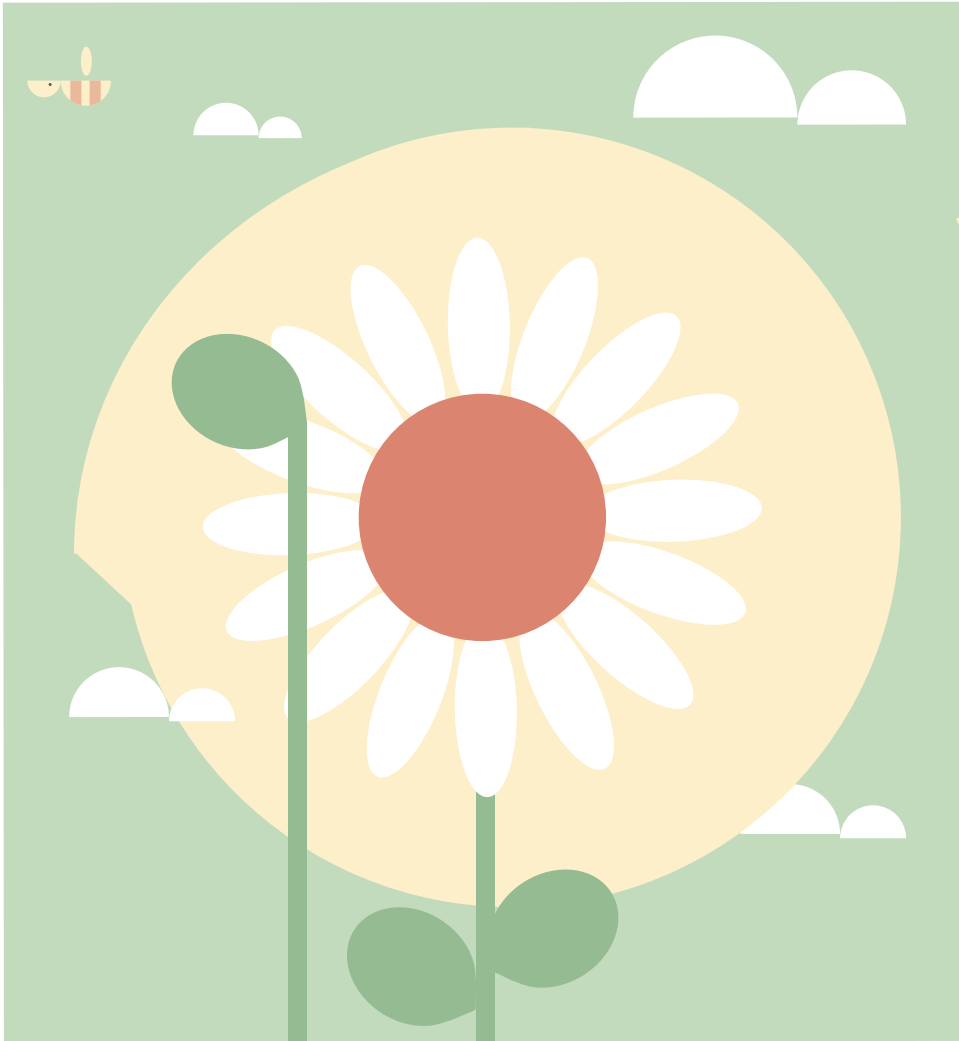
"This situation is not an excuse to monitor employees more extensively; instead, it is an approach that prepares employees to be more independent and self-monitored. It comes with additional benefits, such as increased performance benchmark accuracy, enhanced self-awareness,

targeted talent acquisition/development strategies, and data to optimize delivery models".

Conclusion
The simple truth is that the journey to astounding gains in productivity is in the reach of all organizations. The good news is that for most organizations, the push to increasing productivity is in line with the overarching strategy to increase organizational effectiveness. **What is required is a sustained and**

planned approach to truly unlock the full potential of human capital.

Approached correctly, productivity can be about reducing waste and re-work, informing training & development, and spotting poor processes.
Eric Simonson, Managing Partner, Everest Group



5. Gardening Talent – Retaining and Developing Skills Across Your Organization

A skills-based recruitment and workforce system recognizes the need for an agile approach to learning and career development, and offers the potential to enhance opportunities, prosperity, and equality for all. By breaking the assumption of a linear career, where qualifications gained early in life set the course for a job and then steady progression up a traditional career ladder, the system opens up opportunities based on an individual's skill-set not their social or educational background.

A skills-based recruitment and workforce system recognizes the need for an agile approach to learning and career development, and offers the potential to enhance opportunities, prosperity, and equality for all. By breaking the assumption of a linear career, where qualifications gained early in life set the course for a job and then steady progression up a traditional career ladder, the system opens up opportunities based on an individual's skill-set not their social or educational background.

A skills-based system also naturally changes the make-up of an organization - with an urgent demand for more digital and more 'human' skills, the future organization will be a complex blend of full time employees, contractors, gig-workers, partners, machines, and artificial intelligence. This complex dynamic is made more complex as skills will be 'brought in' for some or all of a project or projects, as employers are unlikely to need 100% of an individual's skill-set, meaning an individual will be working across multiple projects, or for multiple employers, at any one time.

Finally, this new workplace will be made even more complex still by an increase in remote working.

In this blended, diverse, and distributed skills-based model, who is responsible for managing, developing, and therefore retaining these people and their skills?

With contingent, gig, and independent workers set to make up a greater proportion of the workforce, the question of who is responsible for their management and development is still open to debate. Traditionally, HR would be responsible for the attraction, recruitment, and motivation of talent. How-

ever, in reality for many, the contingent workforce is often managed differently by each department or even team. Many argue a more holistic approach to a skills-based talent strategy is necessary to ensure the valuable skills of a contingent workforce are available to their organization on a long-term basis, while others suggest it should be procurement's or even facility's remit.

The day-to-day management and development of a distributed and diverse team will ultimately land on the desk of the team manager, so we thought it was worth considering the driving forces behind independent workers.

Managing an independent workforce

In Motivation in the Gig Economy, Kristin Karlsson and Johan Wrane identified several drivers that managers and organizations should keep in mind: **A desire for independence** (both perceptual and practical) – It is important that managers respect the gig worker's desire for autonomy and independence – let the individual make choices over how and when a job is completed and try to avoid making them feel 'locked in'.

Financial rewards – The opportunity to secure higher or additional money is more often seen as a 'bonus' not as a driver in its own right. On the basis that a fair wage is being paid, 'throwing money' at talent is unlikely to make any significant difference to motivation.

Learning and development – This is still important to contingent or independent workers as they need to remain relevant and attractive in the marketplace. Managers and organizations should therefore consider creating or simply supporting opportunities for learning and development

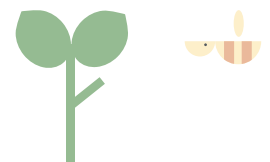
activities, such as fully-fledged courses, seminars, and certification.

Relationships and networking – Just as building relationships with the team and wider organization is important for full-time employees, it's an important driver for contingent and independent workers, too, as it helps secure new clients and projects, and provides an opportunity to share advice and support with other independent workers. Managers and organizations should, as far as possible, include all team members in team-building and social activities.

From an individual's perspective, how do contingent workers consider their career?

An EY survey in the US revealed that more than half of giggers see contingent working as how they want to progress their career, while research published in June 2020 revealed that digital workers view crowd-working as both a job and a career, particularly when they are given the support and opportunity to develop.

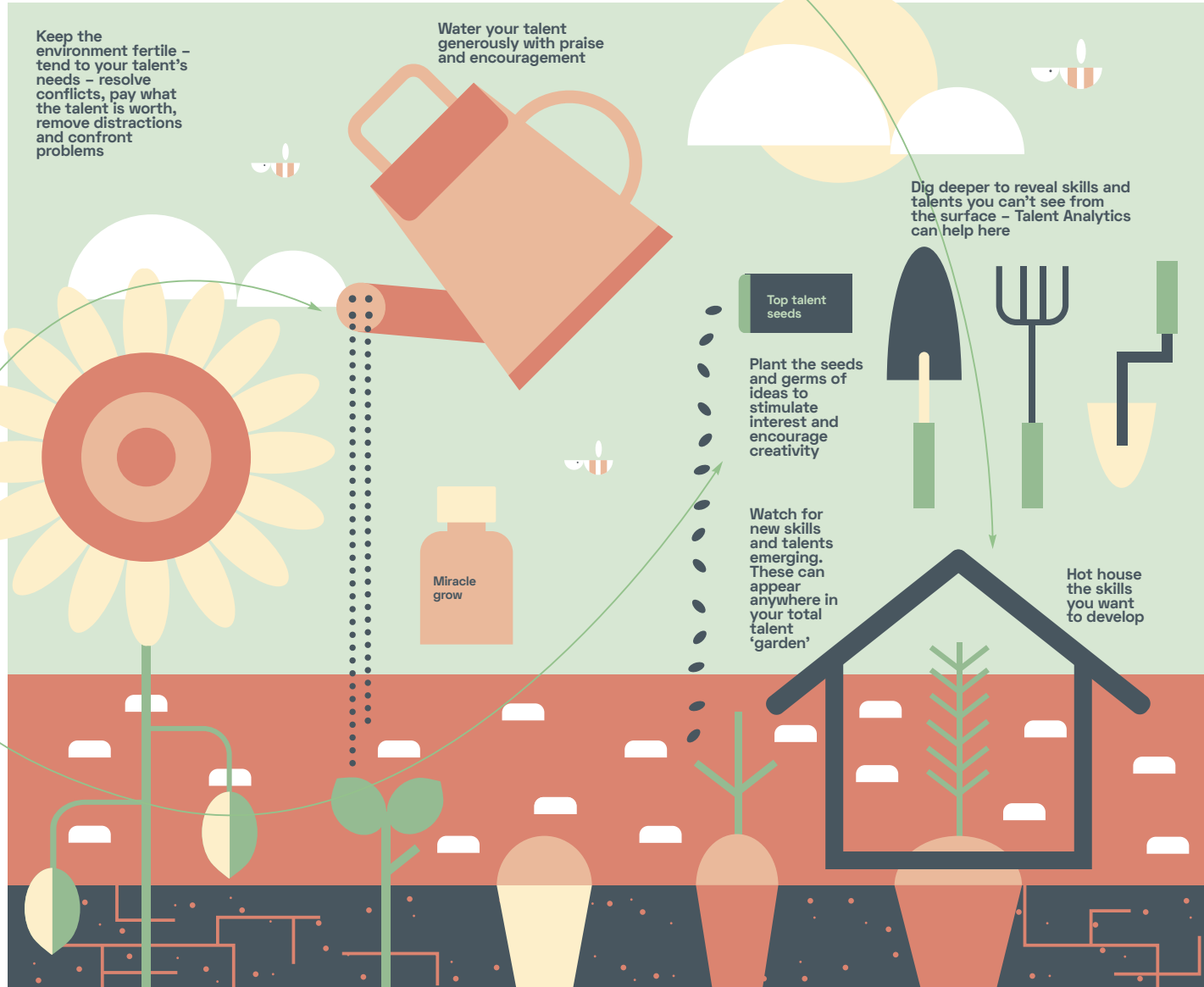
And it would seem the motivational drivers of more control and independence over jobs and careers are not just the preserve of millennials and Gen Xers. A survey by BMO Wealth Management revealed that while each generation was drawn to temporary or contracted employment for different reasons, across millennials, Baby Boomers and Gen Xers, making extra money on the side, balancing career and, family needs and having autonomy and more control were unanimously the reasons cited most for voluntarily entering the gig economy.



MOTIVATING YOUR TEAM

Whether remote, full-time or contingent, it's important to ensure that the time, money and effort invested in finding the right people with the right skills for the job are nurtured and motivated.

- 1. Hot-house new skills** - Identify the skills and talents that already exist using a Talent Analysis Tool. This is vital to getting a real time picture of current skills for further development
- 2. Watch for new shoots** - Keep looking for new areas of growth so you can feed and nurture new shoots. Talent Analytics can also provide a dynamic indexing of new skills that are directly related to existing skills, therefore highlighting which are most relevant for further development
- 3. Plant seeds** - New germs of ideas to encourage interest, new thoughts, and creativity
- 4. Keep the environment fertile** - Tend to your talent's needs, resolve conflicts, pay people what they are worth, remove distractions, and confront problems.
- 5. Water your talent** - Sprinkle generously with praise and encouragement



Expert view

Deborah Kops
Advisor to Global GSI Organizations



For many reasons, including technology advancements, generational shifts, and of course, Covid-19, we're operating in a vastly different talent marketplace that's seen breath-taking change over the last 5 years. I believe, therefore, that the challenge now is not about tapping into skills, but tapping into capabilities. Capabilities are born of an ability to synthesise information, 'join the dots' if you like, and they're what makes true leaders. But they're difficult to test for - how do you test if someone has the capability to manage stakeholders, can manage a knowledge base, understands how to manage risk, or work across teams? Capabilities are developed through time and context - only by being exposed to a wide variety of experiences in one's life and career can one have accumulated sufficient knowledge, perspective, and insight to 'mine'. Even Confucius, the ancient philosopher, said it was only at 40 that he had no doubts. It is my firm belief that while talent and skills can be taught, the next frontier, and what managers should be looking out for and nurturing when they see their first shoots, are capabilities.

Managing a remote and blended workforce

There are a number of tools and platforms available to help managers in this new environment. Here we take a look at a few that might be of particular help when it comes to motivation, management and building relationships remotely.

Remote-how

A digital workspace where you can meet, work alongside, and chill with progress-driven and ambitious members from all around the world

Bonusly

Make exceptional work visible to everyone in the organization, boosting team morale with a shared sense of purpose and positivity. Bonusly delivers insights on individual, team, and company levels so you can make strategic decisions about culture, professional development, performance management, and retention.

AwesomeBoss

Make your life as a manager quicker, easier, and more engaging. You create employee profiles, get access to coaching cue cards to help in managing situations, as well as get alerts to remember important employee events such as birthdays. Employee to-do lists also help you create individualized plans to get the most out of every person.

Loop Team

A virtual office that brings the best parts of an office environment to distributed teams to help them communicate faster and more effectively, capture and disseminate face-to-face discussions, and stay more connected. With Loop Team, distributed team members can see whom is around, whom is available, and whom they can engage.

Tandem

Provides a virtual office experience for teams that don't have access to a physical one. You can see whom is available, what they're working on and which app they happen to be using. It has a great 'share cursors' feature, so you can see exactly what everyone is up to while collaborating.

Remo

Event-specific links mean everyone in the company can join webinars, networking summits, live Q&A's, conferences, and remote meet-ups at the click of a button. Remo also has a virtual office module with top-down views and avatars for each employee.

Unleashing Self-Driven Talent

In the US today, almost twice as many employees are working full-time from home than the office. Global Workplace Analytics estimates that when the pandemic is over, 30% of the entire workforce

will work from home at least a couple times a week, whereas pre-Covid-19, this number was in single digits.

At the same time, according to Gartner, 32% of companies are going

to increase their use of contingency workforce vs FTEs, an increasing number of specialists will work for multiple companies, and companies will have more diverse teams working on projects.

THE NEW WORKFORCE REALITY:

People will spend 3 times less time together with their managers and teams

Specialists will be more driven by precise goals and project vision than the company culture

Great onboarding as well as HRTech tools will be crucial for efficient cooperation with diverse teams of specialists on projects

The office will become rather a command and training center then everyday place to work



Companies willing to contribute to workforce growth and talent development will have to pay attention to teach people how to learn, discover, and nurture their skills and take responsibility for their own career and development.

Expert view

Marika Lulay
CEO, GFT

The world of future technologies is constantly changing and the tech talent gap is ever expanding, so it's important that tech companies not only continuously maintain and develop their own technological expertise, but that they contribute to society at large by supporting the development of digital competences more broadly. At GFT, in-

ternal talent development and social responsibility are core strategic pillars. Internally, we are committed to the personal and professional development of our employees, offering training, mentor schemes, and cultural exchanges. Externally, we place great importance on the promotion of IT skills and talent via our cooperation with universities, and actively coordinate and



participate in coding workshops, hackathons, and regular taster days for school-children to provide insight and an introduction to the IT sector. Finally, through our support of initiatives such as the Brazilian "RESTART.ME" and the Mexican "DevDay4Women", we aim to ensure that we are engaging with broader and more diverse groups for the benefit of all.

6. TOTAL SKILLS MANAGEMENT AND THE HUMAN CLOUD

Many companies realize that they can't look for skills only inside their organization. 86% of HR Leaders expect to implement Total Talent Management programs

where they try to orchestrate a workforce from different sources: full time employees, outsourcers, B2B providers, advisers, freelancers, and many others. Although these strategies bring many

benefits and can boost effectivity. They have challenges on many fronts: organizational, technological, regulatory and practical. So what's the hold-up in making this a reality today?



Expert view

Linc Markham
advisor, former Global HR and
Contingent Workforce Category
Director, BP



The future of talent acquisition is an Amazon, Uber and e-Harmony all-in-one like experience, whether it is perm, temp, gig, project or even bot. This omni-channel future is not far off - where no one owns the candidate except the candidate and everyone's experience is like a 5-star dining experience. So, what is holding

the talent ecosystem back as a Total Talent utopia that has been discussed for years? Having seen the reality from the inside of large complex global organizations, there is a misplaced emphasis on Headcount and the real focus should be on improving our understanding of 'Skill Science' - both hard and soft. We would not attempt a recipe without a good understanding of its ingredients and in the same way we need to be much more intentional about the skills we have, the skills we need and building a skills ecosystem that will get us there. The energy spent on Headcount is like kryptonite, and shifting focus to skill count becomes our

superpower or secret ingredient in the quest for a connected talent cloud and a 5-star talent experience for all! Any work to be done requires a set of leadership, managerial, administrative, organizational, technical, creative, and interpersonal skills. It takes time to understand the total set of skills needed for a position, and the process of reviewing resources at a more elemental level across skill areas takes time, but in the end it can produce game-changing results. Today's talent acquisition leaders have to forego the immediate gratification of headcount and instead embrace the ultimate gratification of skill science.

How EPAM Addresses Total Skills Management



By Nikola Chesalin
Information Architect, EPAM

A company's most important asset is its people and their skills. Yet for decades, skills management has been thought of as purely inventory. In fact, over the past few years, we've seen many leading companies move away from requiring employees to have college degrees and instead focus on a candidate's hands-on experience. The methods that companies have traditionally relied on to build skills, especially STEM, are no longer effective, as they haven't kept up with rapid technological change.

Think of skills as a universal currency – a benchmark by which managers and human resource leaders can evaluate talent and markets can evaluate companies. Securing, developing and retaining the right skills competency is a way of conducting business. This is no longer about employing a fixed number of people to solve a problem. Instead, think of skills as their own entities with their own journeys – some that are constant and others that are only relevant for a short period of time – that rely on one another to be successful. Companies need to move away from their firm taxonomy of skills and consider a more modern, agile and adaptive approach to skills management – an interconnected sub-network of people, processes and platforms that fulfil the specific needs of the business. The bottom line: if it can fit into an organizational chart, it's not a network.

Skills management evolution is necessary for every function of the organization. To transform our own workforce management, EPAM created Skillo, a comprehensive data management system powered by artificial intelligence that provides real-time information on skills throughout the company matched to the needs of the business. The platform follows the employee journey: finding the candidate, matching their skills with organizational demands, hiring, onboarding, training, improving productivity, learning and growth. Leveraging AI-powered insights, we can ensure

we are upskilling in the right areas of the business, equipping employees with the knowledge, skills, and capabilities needed to work effectively and investing in learning that will be in demand tomorrow.

Working on our skills platform, we determined that we needed a common language and metric system to define and measure all skills. We defined the following attributes that are essential for skills development:

- **Definition.** A skill must have a clear description that is suitable for both human and machines.
- **Measurable Level and Version.** A skill must be able to be measured quantitatively. An assigned skill to a talent profile cannot have the same level of proficiency over the time.
- **Validation.** An organization should have the mechanism to confirm and validate skills in an impartial way.
- **Value and Cost.** A skill should add value to both the employee and the organization. The learning curve for skills has different durations and associated costs. Aged skills that have no relevance within the current market should be marked as obsolete.

With the proper skills attributes identified, organizations can start to map their skills against areas of the business and identify skills-based dynamic clusters that are the foundation of the modern, networked organization. Skills development builds relationships, which builds teams. To keep up with an evolving market, the companies of tomorrow will be those that create a network of value – organizations of skills and capabilities, not just a group of individuals, and organizations that enable and sustain interaction, not those that control production and focus on pedigree.

● Skills management evolution is necessary for every function of the organization. To transform our own workforce management, EPAM created Skillo, a comprehensive data management system powered by artificial intelligence that provides real-time information on skills throughout the company matched to the needs of the business.

The Human Cloud

The Human Cloud is a way to think about accessing and engaging the right talent at the right time. The Human Cloud helps you to: access, manage, measure, and share Talent. It gives you visibility of the skills you have at your disposal. It will enhance your HR, recruitment, and up-/re-skilling efficiencies. It can also reduce costs and increase effectiveness significantly, e.g. for IT specialists it can reduce time-to-productivity by 20% and talent acquisition costs by up to 35%*

*In Talent Alpha's experience.



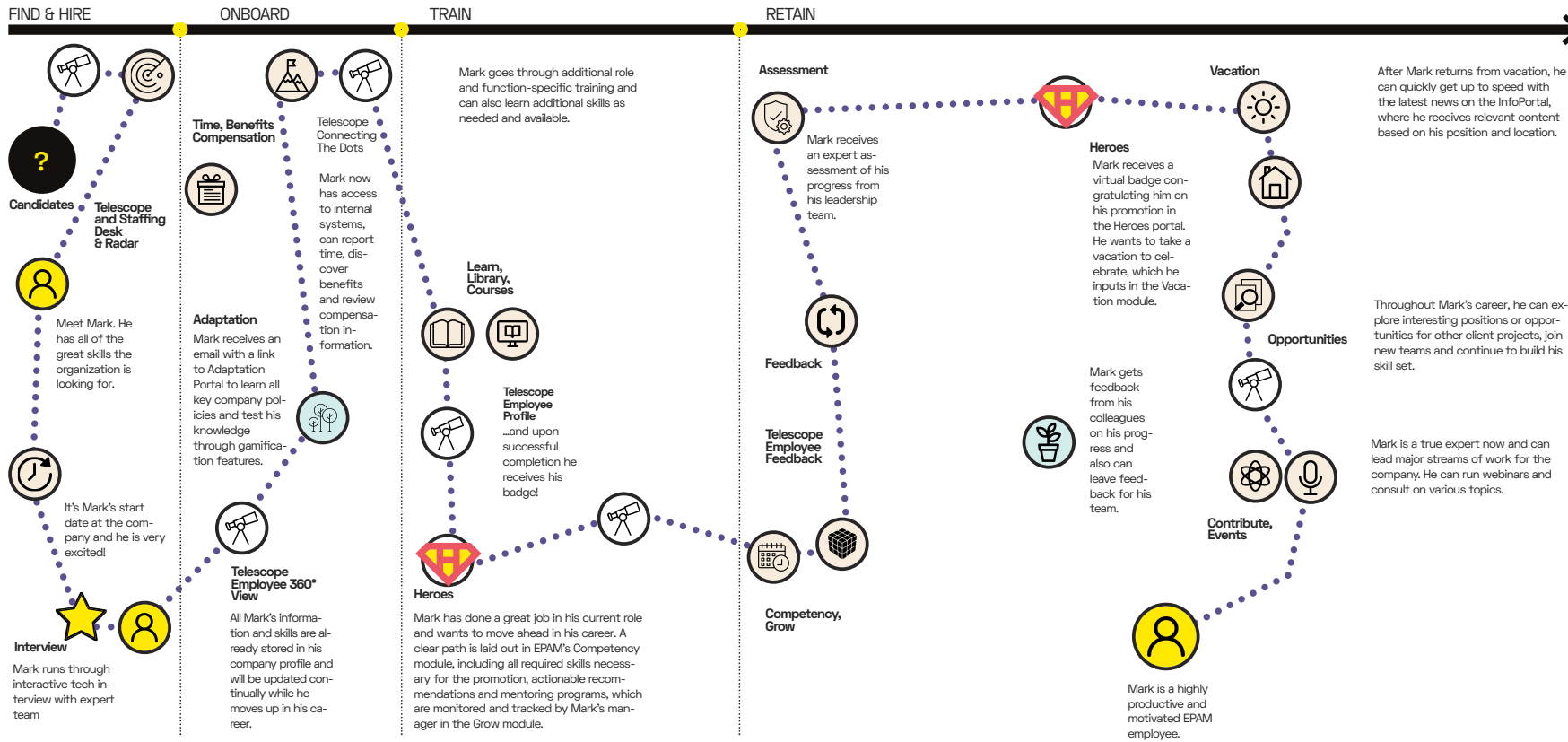
Expert view

Brian Wallins
Research Manager at SIA

The world of work is undergoing an epic transformation. Evolving demographics, cultural shifts and rapid advancements in artificial intelligence and automation capabilities are shepherding an influx of innovation and entrepreneurship. There is perhaps no place in the workforce solutions ecosystem where this is more evident than talent acquisition technology. Although global economic activity has been mired by the pandemic, the disruption has served as an accelerator in B2B human cloud platform activity as businesses digitally transform, embrace remote work and realize the benefits of an agile, flexible workforce. High-end IT talent is at the core of this strength. In 2019, IT occupations represented 41% of total B2B human cloud gross spend, more than twice that of the next largest occupational category, and our research indicates this figure is firmly on pace to expand in 2020.



ENTERPRISE EMPLOYEE JOURNEY SUPPORTED BY EPAM'S TELESCOPEAI



and changing skill sets is the key to differentiation and getting the best from the global talent pool.

This is the driver for the Human Cloud, the fastest-growing segment of today's technology-fueled gig economy. The Human Cloud is a comprehensive, skills-based architecture that reflects the proficiency and delivery standards of the organization, by connecting people and services based on their skills using different staffing models.

Implementing the Human Cloud at EPAM

Epam recently launched EPAM Anywhere, a talent management solution for on-demand workers that provides remote job opportunities for engineers, designers, consultants and product managers around the world. This talent model is powered by EPAM's TelescopeAI™, a unified platform that enables the effective management of an organization's people, the projects they work on and their overall productivity.

Since even the largest companies in the world no longer have the resources (or frankly the need) to have every capability in-house, EPAM Anywhere allows companies to leverage the company's network of 100,000+ IT specialists for specific projects to augment their existing teams or kick off a new technology project. It's a real-life example of the Human Cloud – enabling greater access to talent, providing more opportunities for individuals to expand their skill set without being confined to a location and matching the needs of the business with people's capabilities.

Skills are a corporate asset that represent a company's intellectual wealth. The current environment presents an opportunity for organizations to rethink their talent delivery strategies and explore the advantages of the Human Cloud to become truly adaptive, effective enterprises.

The Human Cloud In Practice



By Dmitry Razonov
Sr. Director,
Delivery
Management
Office, EPAM

The world is changing so fast that traditional methods of hiring and training are no longer relevant. The days of companies with people in-house for every possible task are long gone.

Most innovative companies are already evolving their hiring and talent development strategies to create dynamic teams with versatile skill sets. In the same way Covid-19 has accelerated digital transformation initiatives, businesses have been forced to quickly adapt their talent management strategies to keep up pace with the volatile economy and changing customer needs.

Organizations need to shift from top-down, time-consuming skills operations across departments and

verticals to automated, hybrid (machine and human-curated) competencies for talent that's located anywhere in the world. From day one as human beings, we continuously develop hard and soft skills. By being part of a team and learning new skills through each assigned task or taking advantage of mentorship opportunities, we are continuously improving and growing. Leveraging this concept with the current gig and crowd economies, where organizations embrace non-linear, highly volatile



Expert view

Matthew Mottola
CoFounder and CEO of Venture L,
Author of the Human Cloud, built
the Microsoft 365 freelance
toolkit



The Human Cloud might seem vague and possibly too sci-fi. You might be thinking to yourself, “do I have to be a Star Trek fan to understand it”? But it’s quite simple: How did you find this report? How are you reading it? And how will you share it? Most likely, digitally.

Now apply this to your organization. How will you find today’s top talent? How will you get work done? The same way you’re reading this report - in a digital, remote way (remote meaning you don’t have to come to our office to read it). The Human Cloud is just the digital and remote way of getting work done. Our life and most of the office is already run by software. Now it’s talent’s turn. Like using Uber to find a taxi, digital talent platforms such as Talent Alpha help you find, manage, and consistently source the tech talent you need to get things done. The Human Cloud didn’t pop out of nowhere. We already embrace temporary and contract work and we’ve all embraced remote work solutions such as Zoom. But only a select few have been

combining these to reap massive rewards. The Human Cloud has been my life - at Microsoft I tapped into over 15 freelancers to drive what became the Microsoft 365 freelance toolkit - <http://aka.ms/freelance>. Our book The Human Cloud was written entirely by the human cloud. From researching, to interviewing, editing, and designing. We even had a freelance comedian contribute. The only difference today is that it’s not just early adopters tapping into the Human Cloud. Modern platforms make it accessible to everyone, which is why freelance platforms in the US have seen over 20% year over year growth since 2014, and why it’s predicted that over half the US’s workforce will be freelancers in the next 10 years.

In our book, *The Human Cloud*, we give the example of how one of North America’s largest motorcycle manufacturers tapped into the Human Cloud to digitally transform their rider experience. Their location meant they knew it would be difficult (and expensive) to retain the sought-after technical talent they needed through headcount or an agency, so they tapped into the human cloud to access highly skilled (and often niche) tech talent. The results were outstanding - in the course of a few years, the project evolved from an idea, to a plan, to development, resulting in a mobile app with approx. 150k downloads and a 5-star rating. More importantly, customers love it.



HUMAN CLOUD = DIGITAL + REMOTE + OUTCOME-BASED

Digital

Software for communication and collaboration. Zoom, Slack or Microsoft Teams to collaborate. Microsoft Office, Google Drive, Trello, Jira, Github or many others to collaborate.

Remote

Beyond the constraints of a physical office.

Outcome-Based

Tying output to outcomes. Rather than a job requisition, or a need for headcount - sourcing talent to fulfil the outcome, which may mean hiring for a project or a short-term contract.

WEBINAR

Unlock the Talent Genome

Unleash Talent and Productivity
with People Analytics and the Human Cloud

With 86% of organizations believing talent shortages are a barrier to achieving business outcomes* in times of Covid-19 and ongoing digitalization, the key to success will be:

Maintaining and improving productivity in the New Reality



Ronak Doshi, Vice President,
Everest Group

Understanding the skill inventory and its potential with Talent Analytics



Przemek Berendt, CEO,
Talent Alpha

Unlocking specialists' potential in the Human Cloud



Matthew Mottola, CEO Venture L,
built the Microsoft 365 freelance toolkit

Join our Webinar on

November 19th

10:00 EST / 15:00 GMT / 16:00 CET

Register