



Unlocking the workforce ecosystem

Removing traditional employment distinctions unlocks access to a true workforce ecosystem—and with it, critical skills and worker potential

Coauthored by Karen Weisz.

Organizations increasingly rely on nontraditional workers for skills and activities that are high value and strategically important. Yet, their workforce strategies and practices are still designed for traditional workers. To unlock the full benefits of the entire workforce—which include improved business agility and scalability, expanded access to talent, and improved worker productivity and performance—you need to think of your workforce as an all-inclusive, boundaryless ecosystem, where different types of workers have different needs and make valuable contributions in different ways. This requires workforce strategies, processes, systems, and programs that maximize the unique contributions of different worker types while supporting them all in a more consistent way.

THE REDEFINITION OF the workforce began well before the pandemic. However, it has accelerated as the talent shortage and reliance on traditional work models have strained organizations' ability to access the critical talent they need. Workers are also demanding increased

flexibility over their lives and work, which nontraditional employment models can deliver.

Contingent workers already comprise a significant portion of the total labor pool (near 30%, according to some studies).¹ And over half of workers

surveyed (55%) say they already have, or are likely to, switch employment models throughout their careers, fluidly moving between traditional full-time jobs, internal opportunities outside of their formal jobs (perhaps via a talent marketplace), and freelancing/gig work.²

The shift is being fueled by several related trends, including:

Rise of worker agency. Workers of all kinds are gaining the power to influence/dictate how and where they work (and for whom).

Shortage of talent. Organizations are struggling to find the talent they need and are willing to take talent in whatever form they can get it.

Need for increased agility. Today's organizations need the ability to change directions quickly—and adjust their talent accordingly.

Generational preferences. Younger generations view work and careers differently and don't necessarily see themselves working full time over the long term for a single organization.

Rise of digital technology and the nontraditional workplace. Technology advances are making it possible for people to work productively from an anywhere-anytime-any-workforce model.

Shift to skills-based organizations. Forward-thinking organizations are shifting their primary focus from jobs and job titles to skills. This aligns well with an ecosystem mindset that values workers for the skills they provide, regardless of their employment status.

Although adoption has increased, organizations have yet to unlock the full value of the workforce ecosystem, which requires creating a better sense of belonging and a unified experience across that ecosystem. Currently, nontraditional workers are often treated as outsiders, typically not included in organizations' workforce planning, unable to access development opportunities, and not effectively recognized for their contributions to the business, all impacting productivity and personal engagement. A true workforce ecosystem requires organizations to shift their mindset, culture, work strategies/practices, and platforms/data access.

Finding better ways to integrate nontraditional workers into the workforce and culture will help give organizations expanded access to the crucial skills and talent necessary to thrive. It will also help unlock the full potential of that talent, while improving the organization's ability to scale up and down or shift focus more rapidly in response to changes in the marketplace. This is confirmed by data from the Deloitte 2023 Global Human Capital Trends survey, which reveals the top two drivers to optimize the workforce ecosystem are the workforce ecosystem's ability to meet the current demand they have (46%) and provide the agility they need for the future (36%).

SIGNALS: THIS TREND APPLIES TO YOU IF ...

- You are struggling to find the talent you need with the critical skills to execute your business strategies
- Your listening/sensing uncovers morale and engagement concerns on teams composed of traditional and nontraditional workers
- Access issues to data, collaboration tools, and work systems for your nontraditional workers are negatively impacting productivity

The readiness gap

According to the Deloitte 2023 Global Human Capital Trends survey, 84% of business leaders recognize the importance of inclusively leading an expanding workforce, including those inside and outside the organization. However, only 16% believe they are very ready to do so, representing the lowest readiness score (figure 1).

FIGURE 1

The readiness gap for workforce ecosystems

Inclusively leading an expanding workforce, including those inside and outside the organization, is important or very important to my organization's success

84%

My organization is very ready to inclusively lead an expanding workforce, including those inside and outside the organization

16%

Source: Deloitte 2023 Global Human Capital Trends survey.

Traditionally, organizations have tried to adapt through tweaks and workarounds to their traditional workforce models and policies. However, we're now at a point where duct tape and baling wire aren't good enough and fundamental changes are required. The top two barriers to unlocking the workforce ecosystem, according to the Deloitte 2023 Global Human Capital Trends survey, were the need to shift culture (27%) and ways of working (26%).

The new fundamentals

Adopt a workforce ecosystem mindset.

Moving forward, you need to think of your entire pool of workers (and future workers) as a boundaryless ecosystem—treating all types of

workers as highly valuable and integral to the business. This includes not only explicitly factoring nontraditional workers into your workforce strategies and plans, but also integrating all workers into your organization's culture (whether they are full-time or part-time workers; remote or in-person). Every single person who contributes work to your organization should reflect its core values and feel like part of the culture.

Interestingly, despite being overlooked at an organizational and system level, data from *MIT Sloan Management Review* and Deloitte reveals that a vast majority of global managers (93%) already consider both internal and external workers to be part of their workforce, indicating that managers may have already adopted this mindset.³

Take a skills-based approach. As noted in the “[Navigating the end of jobs](#)” chapter, a growing number of forward-thinking organizations are moving away from the centuries-old workforce model that is built on a foundation of formal, narrowly defined jobs and job titles. In its place, they are adopting a new skills-based approach centered around skills, capabilities, and interests. This shift aligns perfectly with the concept of a workforce ecosystem, focusing on the work that needs to get done—and skills required to do it—rather than worker type or job title.

Create an open workforce platform. Instead of having completely different approaches and platforms for traditional and nontraditional workers, adopt an open approach to talent that unlocks the full potential of every type of worker while providing greater consistency across your entire workforce ecosystem:

Open. Develop workforce strategies and plans that recognize and embrace the unique value and contributions of all types of workers, as well as their unique needs and preferences.

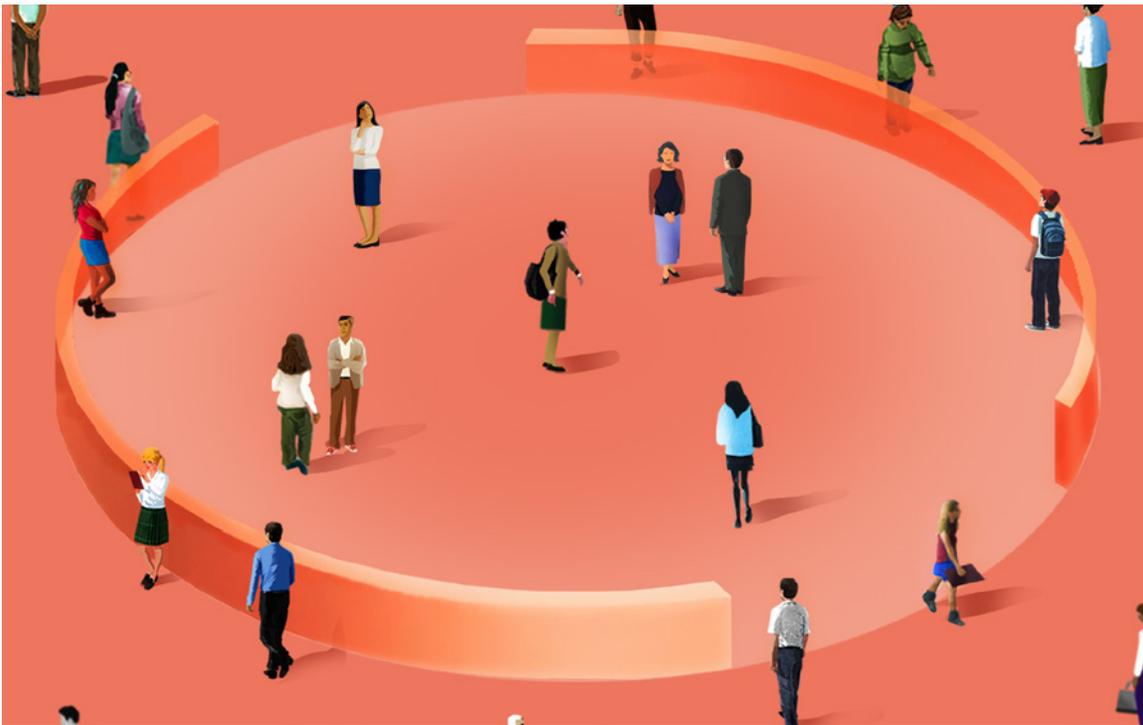
Integrated with speed. Ecosystem platforms need to be integrated with business strategies to flexibly adapt to changing work and customer needs.

This isn't to suggest all workers should be treated identically. Different types of workers have different needs, contribute value in different ways, and choose different trade-offs. For example, traditional full-time employees typically receive extras such as full benefits and greater job security in exchange for dedicated focus, availability, and loyalty to a single employer. Other worker groups get fewer perks in exchange for higher hourly rates and increased flexibility. To attract and harness crucial talent, it's important to respect those personal preferences.

Pivot from directing to orchestrating.

Preparing organizations and managers to operate in a workforce ecosystem requires new

management practices, shifting away from legacy command-and-control approaches to cross-functional alignment and integration, to effectively access, engage, manage, and develop external workers in ways that were previously reserved for traditional employees. Today, it is common for external workers to be influenced by many different groups, such as human resources, procurement, technology, and business development, which often do not communicate with each other about external worker processes and practices. Going forward, functional and business unit leaders need to work together to purposefully and systematically think about the holistic workforce ecosystem. These new relationships may require fundamental changes in management practices, technology, integration, and leadership, which all underpin an organization's ability to successfully orchestrate workforce ecosystems.⁴



Current experiments: What leading organizations are exploring

- **Faith-based health care providers** in the United States are exploring the creation of a consortium to develop and share talent that can be deployed across multiple member systems; build a more attractive, collective employer brand; and address talent challenges and shortages within health care. This also creates deployment flexibility within the consortium and expanded career opportunities and agency for workers, who have shared access to multiple organizations within the consortium.
- **Two large media companies** going through a merger are shifting the workforce ecosystem paradigm as they seek to harmonize their two businesses and workforces. While traditional workforce integration approaches would consider employees first and only, these companies intentionally began their workforce integration work by looking at external workers first and then “zooming in” to traditional employees. This shift will enable the organizations to better identify areas of focus and overlap to achieve synergy targets and align on the right growth plays for the future integrated organization.
- **Novartis** is integrating the management of its 100,000-plus internal workers and 50,000 external workers under the umbrella of the People & Organization function to offer a seamless experience and a holistic workforce strategy. Building this integrated view will enable leaders to think intentionally about the desired balance of internal and external workers, basing those decisions on the specific needs of the business and considering factors such as availability of skills, speed to access, and affordability.⁵
- **Unilever** employs more than 150,000 people worldwide, but the outer core of the consumer goods company’s workforce—people, third parties, and agencies—is estimated at 3 million. Senior leaders at Unilever are working to digitize data and insights about the external workforce as a prerequisite to upskilling external workers in addition to employees, to create a more flexible and agile workforce.⁶
- **M&T Bank** partnered with a regional coalition of nonprofits, local governments, and educational institutions to address unemployment and underemployment in Western New York (WNY) by training community members in high-need skills.⁷ The WNY Tech Skills initiative provides free courses in skills such as data analysis, UX design, and software engineering, and is designed to promote economic stability and health within the community, while building the broader ecosystem of talent in the region which all companies can access.
- **Local government and nonprofits** are responding to increasing workforce development challenges across the Greater Mesilla Valley region in New Mexico. The Las Cruces Chamber of Commerce and The Bridge of Southern New Mexico hosted a summit with leaders from government, private industry, higher education, and the community, to build a coalition for a self-sustaining local workforce ecosystem in the region. The summit centered on strategies to recruit, develop, and retain local talent, particularly in light of increasing worker agency. This coalition approach demonstrates a true ecosystem mindset, as government and private companies come together to build a collective development approach for their workforce.

The path forward

FIGURE 2

Survive. Thrive. Drive.

Survive	Thrive	Drive
<i>Remain viable in the marketplace</i>	<i>Differentiate to gain competitive advantage</i>	<i>Lead the market by radically innovating and transforming</i>
<ul style="list-style-type: none"> • Understand your holistic workforce, comprising all those that perform work for your organization, to inform your strategic workforce planning efforts • Ensure all workforce reporting capabilities also include the holistic workforce • Recognize your engagement strategies (e.g., town halls) must include the holistic workforce • Understand costs and risks associated with nontraditional workers 	<ul style="list-style-type: none"> • Expand talent strategies and practices to include your full workforce ecosystem where appropriate and aligned to employment laws • Create an integrated engagement strategy for the full workforce ecosystem • Provide appropriate access to your platforms 	<ul style="list-style-type: none"> • Use skills, not jobs, as the foundation for accessing critical talent • Encourage traditional employees to get outside experience and skills • Tap into the full workforce ecosystem to positively influence outcomes in areas such as sustainability, DEI, and human risk • Enhance leadership capability and mindset to successfully orchestrate the full workforce ecosystem

Source: Deloitte analysis.

Looking ahead

Instead of clinging to the traditional, narrow definition of “workforce”—which prioritizes full-time employees and treats everyone else as “other”—organizations need to adapt their mindset and practices to fit the real-world talent pool, which is far more complex and increasingly comprised of nontraditional workers with skills and experiences that are high value and strategically important.

The new workforce fundamentals—such as an ecosystem mindset and open workforce platform—aren’t just better for the current and future workers in your ecosystem; they are better for your organization too—giving you access to more and better talent; helping you get the most value from

different kinds of talent; and providing more flexibility to scale up and down or shift focus in response to the changing needs of your business and marketplace. Respondents to the Deloitte 2023 Global Human Capital Trends survey, who have made strides to optimize their approach toward workforce ecosystems, also report increased innovation, financial performance, retention, and a stronger leadership pipeline.

Chris Ernst, chief learning officer at Workday, said, “Harnessing the power of the ecosystem allows our business to get work done in a much more inclusive, agile, and flexible way. At Workday, we use Career Hub, where employees can share their current skills and interests, and receive relevant connections, gigs, curated learning content, and recommended jobs to help them on their career

journeys. We've had over 2,100 workmates (about 12% of our workforce) participate in gigs. It's really been an organic adoption and we've been able to quickly expand from small, short-term gigs to multiple month gigs that are connecting employees to opportunities to solve business challenges."

Organizations have been pursuing these objectives for decades but always had to design solutions around the boundaries of the traditional workforce model. With an ecosystem mindset and open workforce platform, those traditional boundaries are removed, enabling leaders to maximize the

contributions of every worker, regardless of their work arrangements.

Deloitte's 2023 Global Human Capital Trends survey polled 10,000 business and HR leaders across every industry, with 105 countries participating. The survey data is complemented by interviews with executives from some of today's leading organizations. These insights gathered shaped the trends in this report.

Endnotes

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