

BIG IDEA: FUTURE OF THE WORKFORCE

The Workforce Ecosystem Perspective

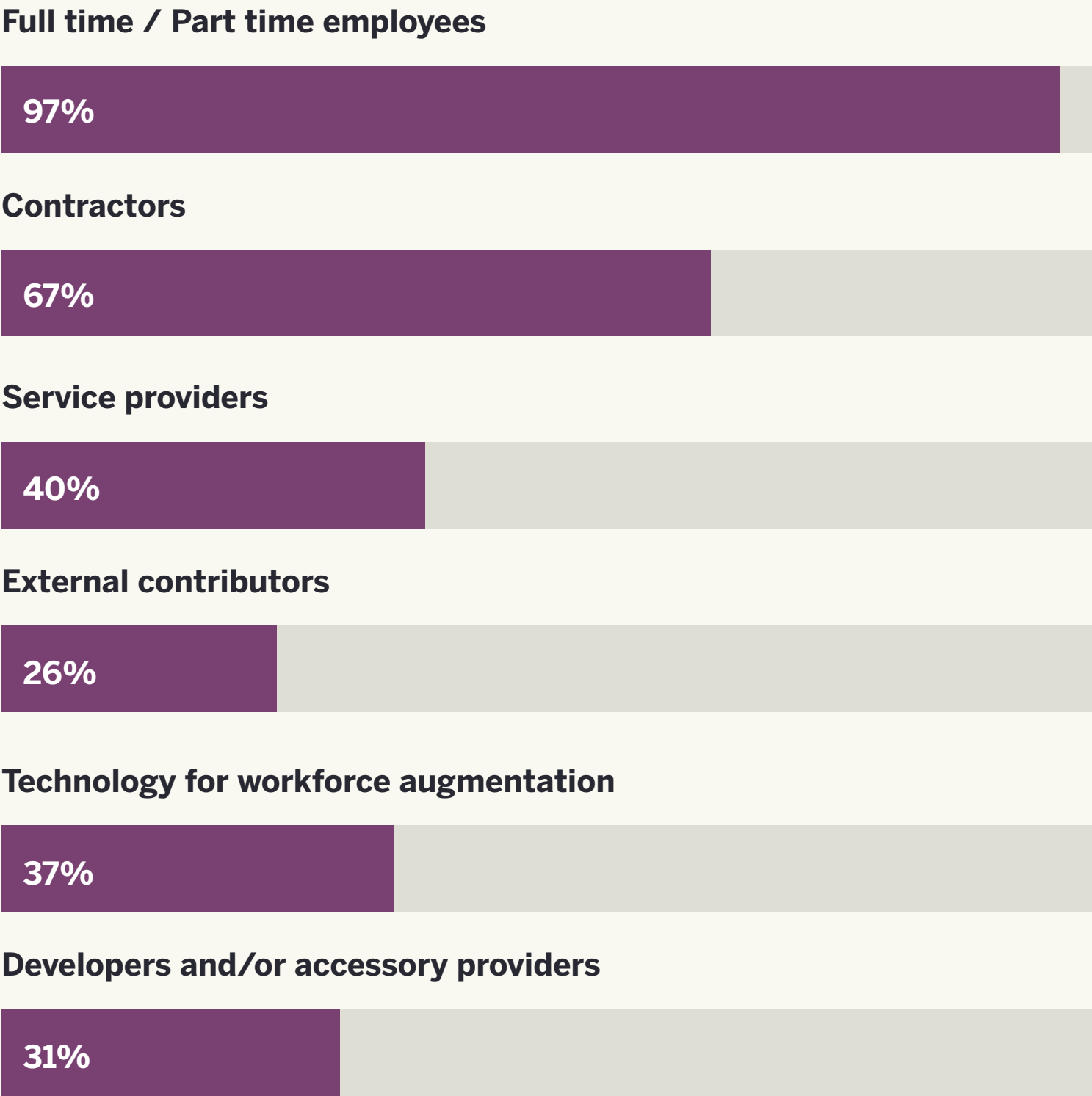
Eighty-seven percent of global executive survey respondents consider their workforce to encompass more than their employees. How can leaders adjust their workforce strategy to adopt a workforce ecosystem approach?

EXPLORE THE DATA

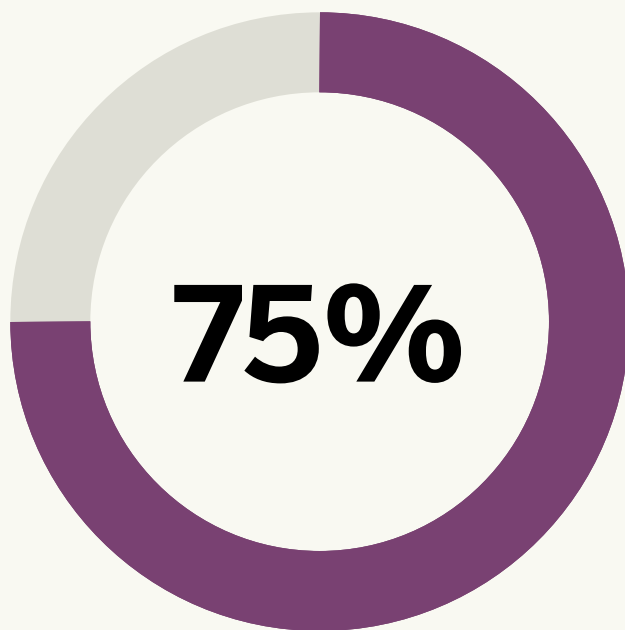
Workforce Strategy Across Demographics

MIT Sloan Management Review and Deloitte surveyed 5,118 managers and leaders from around the world to better understand how they approach strategic workforce management issues.

My organization views each of the following groups as part of its workforce.



My organization’s workforce strategy aligns with our organization’s overall business strategy.



Over the next 18-24 months, our organization will rely more on external participants.



Our organization is sufficiently preparing to manage a workforce that will rely more on external participants.




Find out how your organization compares to the full data set →


Workforce Ecosystems Call for Shifts in Management Practices

Moving to a workforce ecosystem approach calls for a shift in management practices, including making adjustments to underlying philosophies, systems, and processes.


Explore these shifts through seven key areas.




Workforce Planning →



Talent Acquisition →




Performance Management →




Compensation and Rewards →



Learning and Development →



Career Paths →



Organizational Design →



Workforce Planning



Traditional Employee Life Cycle Approach

- Limited to full- and part-time positions.
- Based on predictable hiring for jobs with stable skills and requirements, and on traditional recruitment sources.

Workforce Ecosystem Approach

- **Uses a broad definition of the workforce, including human and digital workforces (all talent models for all work requirements across all talent sources).**

How to get started

- **Conduct a workforce audit, bringing together leaders from different functional groups to better understand your organization's workforce ecosystem.**



Talent Acquisition



Traditional Employee Life Cycle Approach

- HR manages talent acquisition, with employee role-based hiring.
- Procurement and IT manage service providers to augment workforce.
- Legal manages contracts for many employment models.
- Each department manages talent requirements beyond FTEs (full-time equivalents) in silos.

Workforce Ecosystem Approach

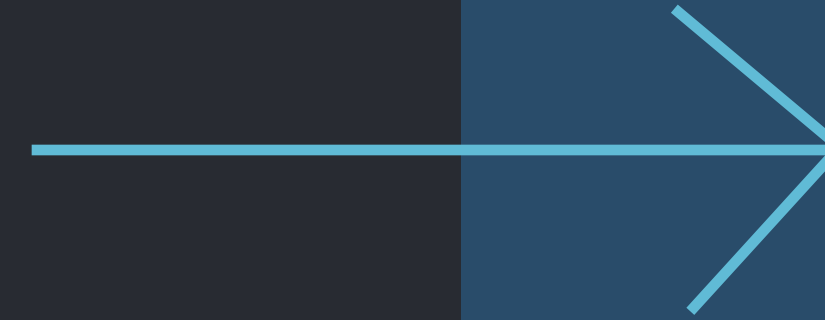
- **HR works with other functions to coordinate talent acquisition and access; focus is on work types (not roles).**
- **Internal and external talent marketplaces enable talent access.**
- **Workforce analytics offer a consolidated view of internal/external workforces (e.g., human, digital, robotics, AI).**

How to get started

- **Consider using digital platforms to augment online recruitment activities to reach geographically and culturally diverse talent.**



Performance Management



Traditional Employee Life Cycle Approach

- Annual goals set by standard roles focusing on FTEs.
- Individual performance metrics based on standard role requirements; retrospective view and limited team focus.

Workforce Ecosystem Approach

- **Continuous goal-setting and feedback; focus on improving performance and development for internal/external contributors.**
- **Individual and team metrics with work outcomes.**
- **An integrated approach to evaluating the internal/external workforce for contributions, development, and growth.**

How to get started

- **Allow managers to use your organization's talent marketplace to provide feedback on work/projects, skills, and development opportunities to prepare workers for internal opportunities or side projects.**



Compensation and Rewards



Traditional Employee Life Cycle Approach

- Salary bands align with standard roles and titles, often informed by industry benchmarks.
- Compensation adjustments occur annually.
- Benefits (e.g., medical insurance, retirement benefits) are offered to full- and part-time workers who meet hourly thresholds.

Workforce Ecosystem Approach

- **Compensation is based on contribution, competence development, adaptability, and potential, with flexibility for adjustments.**
- **Worker preferences are integrated into compensation and benefits planning.**
- **Expanded access to micro-benefits ensures more equitable health, retirement, and other benefits.**

How to get started

- **Some organizations introduce teaming as part of their salary and compensation structures**
- **Consider rewarding members of your workforce for acquiring new skills.**



Learning and Development



Traditional Employee Life Cycle Approach

- Training is provided for specific job requirements, organization compliance, and security requirements.
- Manager nomination and enterprise requirements regulate learning.
- Learning is siloed by function and division and limited to internal audiences.

Workforce Ecosystem Approach

- **Development is a key focus to align skills, capabilities, and competencies with future organizational needs and changing business strategies and skill requirements.**
- **There is a high degree of worker-driven options around organization and community.**
- **Learning offerings consider the requirements and expectations of internal/external workers.**
- **Workforce analytics platforms offer a consolidated view of internal/external workforce learning requirements and progress.**

How to get started

- **Develop frameworks that give workers insight into what skills are in demand, and align training and development opportunities to encourage skills building.**



Career Paths



Traditional Employee Life Cycle Approach

- Organizations follow linear, hierarchical career paths based on functions and business units.
- Mentorship programs are offered ad hoc/as needed.
- Structured rotation programs move small cohorts (and small percentages of employees) to build experiences within the organization.

Workforce Ecosystem Approach

- **Internal and external talent marketplaces reveal worker interest and experiences and unlock opportunities within the organization.**
- **Worker preferences drive agency and choice for multidirectional career opportunities.**
- **Fractionalized and project-based work offers opportunities.**

How to get started

- **Consider how you might break away from traditional career lattice structures to create more personalized career pathways for both internal and external members of the workforce aligned with skills needs and experience goals.**



Organizational Design



Traditional Employee Life Cycle Approach

- Organization is structured around functions, divisions, and hierarchies.
- Spans and layers often are units of analysis for efficient organization design, but only internal workforces are considered.
- Decision rights and reporting structure are defined for internal roles only.
- Silos exist between internal and external workers.

Workforce Ecosystem Approach

- **Organization structure considers all aspects of the workforce — internal, external, and technology — with a shift toward teams and networks.**
- **Spans, layers, and network analysis include all internal and external workers and are used for organization design optimization.**
- **Decision rights and reporting structure are determined for all workforces.**
- **Silos are eliminated between internal and external workers.**

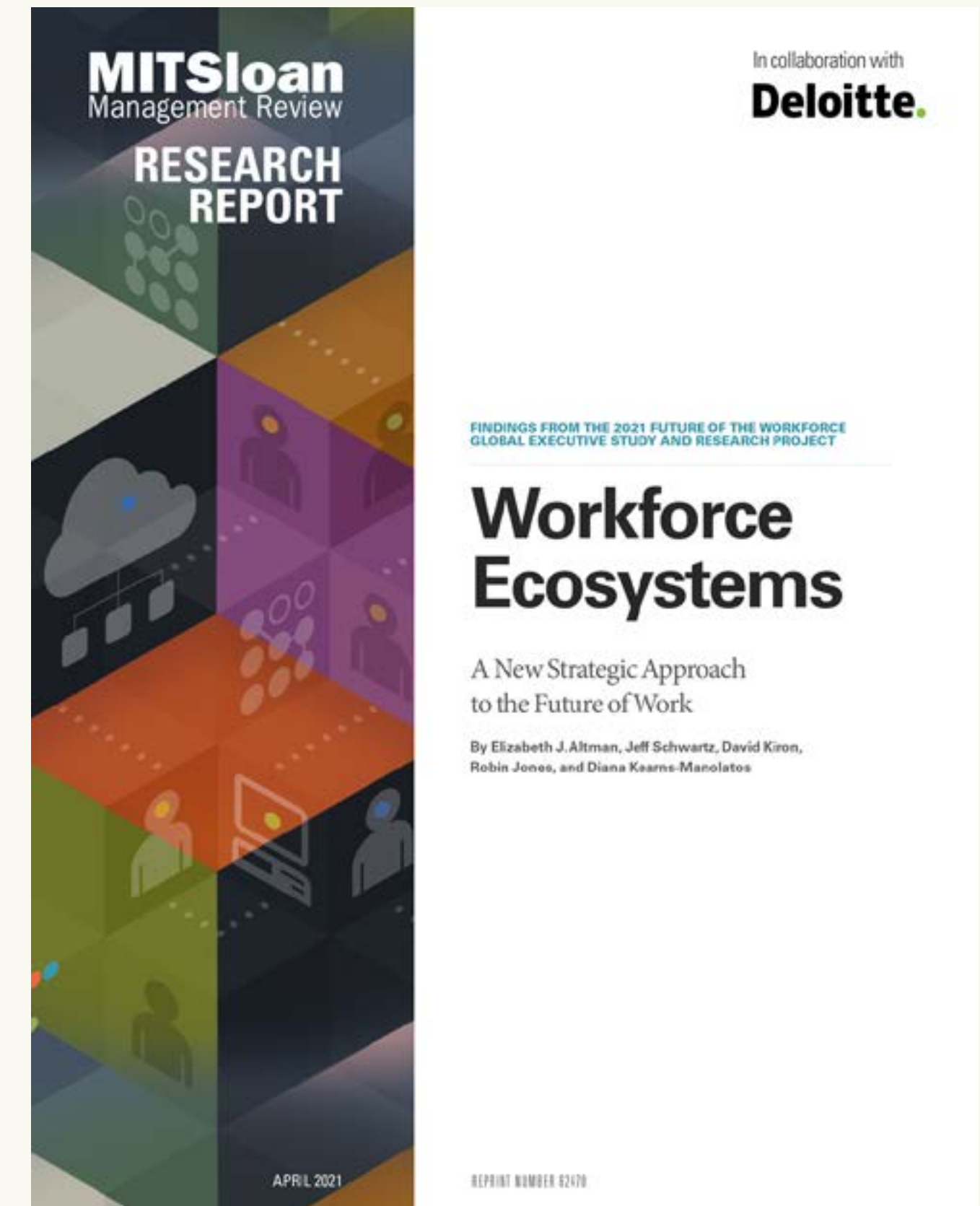
How to get started

- **Organizations may rely on the interaction of a variety of both paid and unpaid groups as part of their workforce. Consider both groups in your workforce audit.**

Read the 2021 *MIT SMR*-Deloitte Future of the Workforce Report.

Get actionable recommendations, based on interviews with 27 leaders and scholars, that organizations can take as they rethink workforce management practices and move toward a workforce ecosystem approach.

READ THE REPORT



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