



February 1, 2008

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Independently employed are the next wave

By Linda Stewart / Work Force | Friday, February 1, 2008 | <http://www.bostonherald.com> | **Women's Business News**

A rapidly growing marketplace trend is emerging: Accomplished professionals in unprecedented numbers are exiting traditional corporate employment and offering their services in a project-based way. This works for them from a lifestyle perspective and represents an extremely compelling offering to companies.

Call them the "independently employed."

Increasing numbers of accomplished professionals and executives are looking for the flexibility of being a free agent, enabling them to leverage their skills, participate in challenging projects and transfer their knowledge to the next level of management while making more satisfying work life choices. They're a high-value variable cost asset for companies and ideal for strategic engagements that leverage their skills.

This is an idea whose time has come because of a compelling set of marketplace conditions, unlike anything in this lifetime. Powerful demographic forces are converging to produce a significant talent shortage in the executive labor market within the next few years, and it will continue through 2030.

There are over 77 million baby boomers approaching retirement and only 44 million people behind them. The National Bureau of Labor Statistics projects a total labor shortfall of 10 million skilled workers by 2010. A significant portion will be at the executive and leadership level.

In fact, according to RHR International, Americas' top 500 largest companies will lose half their senior managers within the next five years – at the same time when the ranks of the next generation will have been decimated by downsizing, off shoring and re-engineering.

With millions more jobs than people to fill them, a significant power shift from employers to employees will occur. It will create pressures on wages but the more significant impact will be in people seeking alternatives to the way they work.

And, the highly skilled will enter the ranks of the independently employed, where they will begin to define their terms of engagement. The corporations that succeed will be the ones that recognize this and begin

engaging people in project-based work now.

According to Daniel Pink, author of “Free Agent Nation: How America’s New Independent Workers Are Transforming the Way We Live,” these workers are “free from the bonds of a large institution and agents of their own futures. They are the new archetypes of work in America. It used to be that the bargain between employee and employer was that the employee gave loyalty and the employer gave security...The bargain now is that the individual gives talent and the organization provides opportunities.”

This is exactly the arrangement preferred by today’s independently employed professionals.

And, it’s a compelling way for organizations to drive business results. Companies can accelerate the execution of critical business initiatives by engaging executives who have successfully completed similar tasks around the world.

Just as professional sports teams leverage a pool of free agents to fill key slots and address shortages in talent, savvy companies are engaging free agents for specialized skills for specific projects. But, these are not your traditional consultants. These professionals can work strategically and have done the implementation.

Companies need to manage costs more effectively and remain fiercely competitive in today’s marketplace. Under the project engagement model, hiring companies gain access to talent unavailable to them any other way; they get the skills they need on a variable cost basis.

Thinking about managing business as a series of projects will help companies stay competitive and minimize the high costs associated with a work force comprised of all fixed cost resources.

Engaging professionals is also a faster path to productivity. Companies simply can’t remain competitive by spending six months to a year recruiting and on-boarding an executive.

It is becoming increasingly savvy to engage professionals who have done it before and who can be productive in one to two months. Just think of the impact this could have on your bottom line.

The data suggests that project-based workers at all levels are the fastest growing segment in the marketplace and will make up over 25 percent of the work force within the next five years. As free agents become increasingly important, companies that cling exclusively to traditional full-time employment models will fail to recruit from the highly skilled and rapidly growing pool of the independently employed.

As the talent gap widens, and the independently employed work force continues to grow, companies will need assistance in finding the right senior level people for the right assignments at the right time.

“It’s much more like an open market; you need intermediaries in the middle to help the markets operate. And the intermediaries are the people who can help match workers to jobs.” explains Peter Cappelli, director of the Center for Human Resources at the Wharton School of Business at the University of Pennsylvania.

The key is to find a non-traditional search agency, one that handles project-based engagements at the top corporate level and provides access to top talent.

To take full advantage of the independently employed market, companies must make a significant institutional leap by learning to trust accomplished free agents with important strategic assignments.

Operationally, they must learn to assemble the right team for each task and then disband it, confident that executive talent will be available for future projects.

Project recruiting services simplify this process by acting as the key intermediary, providing specific talent to companies when they need it.

The looming gap in executive talent presents companies not only with an obstacle, but also with opportunity. Those that embrace the engagement model and utilize the independently employed will be much better prepared to weather the powerful demographic forces now converging in the marketplace.

By leveraging the growing ranks of free agents, organizations will gain the competitive advantages that will come from tapping a vast new talent pool of professionals.

By engaging the accomplished professionals and executives they need for limited time and variable costs, forward-thinking companies can increase their business agility, manage risks and drive business results.

Article URL: <http://www.bostonherald.com/business/womens/general/view.bg?articleid=1069350>