MANAGING WORKFORCE FLEXIBILITY:
THE 'GIG' ECONOMY AND THE CHANGING ROLE OF THE CHRO

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Introduction

In the 21st century, rapid technological change has disrupted traditional structures in the economy. Nowhere is this truer than in the changing labor market where the digital age has seen the growing role of contingent workers and the rise of the so-called "gig economy" that has loosened the rigid structures of the traditional workforce, making it much more fluid and flexible.[1] In the rising contingent segment of the labor market, an increasing numbers of workers can perform multiple jobs in different industries and for different employers as a result of technological innovations such as digital market platforms.[2] Because of the blurring of traditional employer-employee relationships, companies must become agile and adapt to rapidly changing labor market conditions while tackling labor shortages and skills gaps within their workforces. This new reality raises the question of whether corporate HR departments, traditionally responsible for setting company labor market strategy and supervising the employment relationship, will need to fundamentally change the way they operate. What exactly should be the role of the CHRO in leading and advising other senior executives and the Board of Directors? To provide true value to their leaderships, CHROs will need to engage much more closely with the C-suite to understand the long-term business strategy, broaden their strategic view of key workforce drivers, challenges and opportunities, and ensure that their HR organizations build the capabilities to respond effectively to complex challenges and

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[1]Wartzman, R. (2016). Working in the gig economy is both detestable and desirable. *Fortune.com*. Retrieved from: http://fortune.com/2016/04/27/ubergigeconomy/

[2]Donovan, S. A., Bradley, D. H., & Shimabukuru, J. O. (2016). What does the gig economy mean for workers? *Congressional Research Service*, 1.

opportunities presented by the changing labor market. They can best accomplish this by focusing on performing four key roles within their companies.

First, CHROs will need to become talent futurists. By forecasting labor market changes and collaborating with the C-suite to understand the long-term business strategy, CHROs can determine short- and long-term skill requirements as well as how and when to employ gig workers. Second, CHROs must become chief advocates for organizational agility and flexibility in order to more optimally match and deploy workers to assignments based on skill. Third, CHROs will need to champion technological adoption and innovation that better enables the first two roles and improves the way work is done. Finally, CHROs will have to enable the CEO to create a unified brand and organizational culture among a new hybrid workforce consisting of gig employees, traditional contractors, and full-time employees. By focusing on these four roles, CHROs will cultivate a distinctive organizational and workforce culture and brand as well as ensure the necessary capabilities for their companies' success.

Key Role # 1: Talent Futurist

I. *Forecasting Current & Future Skill Requirements and Availabilities*

The CHRO needs to consult with other C-Suite leaders, such as the CEO, CTO, and COO, to provide his or her knowledge of the internal and external labor market as well as workforce trends. Workforce strategies must focus on forecasting future labor needs and talent market availability in order to best staff future projects. The increasing pace of change in consumer markets is forcing firms to shift from static operations to flexible projects. Project-

based roles may eventually replace traditional department functions.[3] Despite the rise of the contingent workforce and a global knowledge-driven economy, labor shortages and skill gaps complicate the search for talent with the requisite skillset. Because some projects require a diverse set of skills, CHROs will need to review open roles in their organization and determine if the unfulfilled positions result from skill gaps or mismatches.[4] CHROs should work closely with the CEO to understand future business objectives and determine the type of skills needed for both long-term and short-term projects.

According to a 2015 ManPower Group survey, over a third of global employers are experiencing difficulty filling jobs due to a lack of applicants, lack of technical competencies, and lack of experience.[5] In addition, Deloitte and The Manufacturing Institute reported in 2015 that the retirement of baby boomers, weak economic growth, and lack of industry attractiveness contribute to future talent shortages in a company.[6]

For example, CHROs of manufacturing firms should note that skilled trade positions, such as mechanics and electricians, rank first among the hardest jobs to fill.[7] This is in part because manufacturing has faced technological disruptions, such as 3-D printing for rapid prototyping and nanotechnology while technical training programs and enrollment have not kept

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[3] Kammeyer-Mueller, John, Herbert Heneman and Timothy Judge (2015). Staffing Organizations, 8th edition. McGraw Hill: Mishawaka, IN. 768 pages.

[4] Daughterty, Paul, Marc Carrel-Billard, and Michael J. Blitz (2016). Liquid Workforce: Building the Workforce for Today's Digital Demands. Accenture Technology R&D. Retrieved from https://www.accenture.com/us-en/insight-liquid-workforce-planning

[5] ManPower Group (2015). *2015 Talent Shortage Survey, 10th Annual Talent Shortage Survey*. Retrieved from https://www.manpowergroup.com.au/documents/White-Papers/2015_Talent_Shortage_Survey-lo_res.pdf

[6] Deloitte and the Manufacturing Institute (2015). *The Skills Gap in US Manufacturing: 2015 and beyond.* Retrieved from http://www.themanufacturinginstitute.org/~/media/827DBC76533942679A15EF7067A704CD.ashx

[7] ManPower Group (2015).

pace. The increasing technical nature of manufacturing forces companies to search for skilled workers while also battling a drop in applicants and negative perception of vocational trades. The Foundation of Fabricators and Manufacturers Association conducted a poll and found that half of teenagers admitted having no interest in vocational trades and cited the profession as "dirty and dangerous."[8]

On the bright side, in much of the gig economy, skills sharing and holding multiple jobs have become the norm. An employee can hold a full-time position at one company while also performing independent contractor duties for another firm, sharing and learning new skills obtained from both positions.[9] Because the nature of worker contracts has become more flexible, a company's competitive advantage derives from its cost-effective options in maneuvering full-time employees and independent contractors, such as gig employees, in projects. In order to perform effective forecasts of future HR needs and talent market availability, CHROs need be able to incorporate the latest data and trends when determining the contingent labor availability and skills. Once gaps have been identified, the nature of unfilled assignments can be analyzed to determine what skills are needed and cost-benefit analyses performed on the benefits of employing a full-time worker versus a short- or long-term gig worker. Hence, as CHROs closely collaborate with the CEO and other leaders to identify skill gaps and determine hiring, recruiting, and training needs, they must ask the following questions: Where are we going? What skills do

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[8] Field Aware (2016). *The Effect of the Skills Gap on the Labor Force.* Part 2 of 2 of Workforce Solutions. Retrieved from http://www.fieldaware.com/site/assets/files/2745/kb-workforce-shortage-skills-gap-part-2.pdf

[9] Kennedy, Joseph V (2016). *Three Paths to Updated Labor Law for the Gig Economy.* Information Technology and Innovation Foundation. Retrieved from www2.itif.org/2016-labor-law-gig-economy.pdf

we need? How is the talent market changing? How do we create the HR processes and talent strategies to keep up with these changes?

II. ***Talent Intelligence***

Another aspect of being a talent futurist is 'talent intelligence' or the ability to make informed and meaningful predictions about the competition. Just as intelligence agencies research and analyze their counterparts on the other side, the CHRO should be armed with information about competitors and how their key decision makers and business leaders compare with those within the CHRO's own organization. Predictions should include the possible impact of any decisions related to human resources at rival companies—such as changes to their pay and reward systems, increases in turnover, or changes in the type of talent they are hiring—and what those changes might indicate about their market strategies.[10]

Predictions should also include assessments on the likelihood of successfully executing the business strategy. CEOs and CFOs normally put together multi-year plans and a one-year budget; the CHRO should be able to assess the probability of achieving these business goals using their understanding of the company's talent environment.[11] For example, how likely is it that the company will be able to internally develop or compete in the labor market for a key product-related skill set? Or, if both contingent and permanent workers are being hired for a project, will managers be able to coordinate their efforts and protect proprietary IPR? CHROs need to raise such questions and offer their insights and recommendations.

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[10] Barton, D., Carey, D., Charan, R. (2015). People before strategy: a new role for the CHRO. *Harvard Business Review*. https://hbr.org/2015/07/people-before-strategy-a-new-role-for-the-chro

[11] Barton, D., Carey, D., Charan, R. (2015).

With their strategic view of interrelated issues across the business and their knowledge and understanding of all aspects of talent and the enterprise, CHROs must see talent as a business opportunity and know how to connect talent back to the business goals and challenges of their organizations.[12] CHROs need to understand how trends such as increasing use of flextime, telecommuting, skills-sharing, and contingent labor are shaping the future of compensation, employment law, and labor relations. They then need to translate this knowledge into a usable form that will help their leaders in formulating and adjusting business strategies as well as formulating contingency plans.

To summarize, some broad strategic skillsets CHROs must possess as talent futurists will include the following:

- Vigilance in scanning the external environment to anticipate business and talent threats and opportunities
- Strategic thinking skills to work with the CEO and executive team to set direction
- Conceptual skills to shape the organization to meet tomorrow's demographic challenges
- Financial acumen to broadly balance resources and understand the financial implications and trade-offs of investments in every aspect of the business, including internal versus contingent talent [13]

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[12](2015). Modern day CHRO: consigliere to the CEO. Allegis Partners. Retrieved from: http://www.allegis-partners.com/insights/articles/modern-day-chro

[13](2014). Transforming the future. *Heidrick & Struggles International Inc.* Retrieved from: http://www.heidrick.com/~/media/Publications%20and%20Reports/Transforming-the-Future-The-CHRO-as-Chief-Change-Officer.pdf

Key Role # 2: Champion Organizational Agility and Flexibility

In today's business world, the pace of technological and marketplace change is unprecedented. CHROs need to make sure that their organizational management and personnel systems are structured to readily adapt to unanticipated scenarios. Adjusting the ratio of independent contractors versus full-time employees, redesigning company's organizational structure and reporting lines, and rotating robust internal labor markets are mandatory to ensure a successful, flexible workforce. CHROs must redesign teams and units to be more agile and efficient, even if it means reducing staff numbers through attrition or retrenchment. These teams should work with the organization's senior leadership to develop change management strategies for outsourcing, recruitment, training and development, and person/job matches. As the traditional bonds of the employment relationship are loosened even as market changes and the war for talent become more intense, CHROs need to be able to advise leaders on locating the needed talent either internally or externally and readily reorganizing organizational structures and reporting lines in order to unlock value and win in the fluid market.

I. Treat Talent as an Investment Portfolio

Agile companies know they must move capital to where the opportunities are. A McKinsey report found that aggressive reallocators—companies that shifted more than 56 percent of capital across businesses over a period of time—had 30 percent higher total shareholder returns than companies that shifted far less.[14] However, although capital reallocation

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[14]Hall, S., Lovallo, D., Musters, R. (2012). How to put your money where your strategy is. *McKinsey & Company*. Retrieved from: http://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-to-

is important, the reassignment of people along with capital reallocation is what often separates success from failure. Organizations should be increasingly flexible with their human capital, and CHROs should be prepared to recommend actions that will unlock or create value. These might include recognizing hidden talent and adding that individual to a talent pipeline, moving talent from one position to another to kick-start growth in a new market, or bringing in external or contract talent to develop capability in a new area.[15] CHROs should propose human capital investments that are tied to and proportionate with the short and long-term market returns predicted by the business strategy.

Human capital investments in a core workforce depend on a person/organization and person/job match. For example, Uber depends on driver-partners from a wide range of backgrounds who opt for flexible work arrangements.[16] Uber's business model prospers because it provides flexible hours with low barriers to entry and succeeds to capture a "core workforce"—driver-partners who select into the workforce. Jonathan Hall, head of policy research at Uber, and Alan Krueger, a Princeton economics professor, discovered that within a month of driving for Uber, 11 percent of driver-partners stopped serving. After six months, 70 percent of the initial driver-partners remained, and after a year, more than half of that 70 percent continued to drive. [17] The implication is this: after a CHRO determines the skills needed to

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put-your-money-where-your-strategy-is

[15]Handler, T., & Jasinski, T. (2010). MetLife learning and development: Redesigning an organization to enable business performance. *People and Strategy, 33*(3), 47.; Mundy, J. (2012). Why HR is still not a strategic HR partner. *Harvard Business Review*. https://hbr.org/2012/07/why-hr-still-isnt-a-strategic-partner

[16] Hall, Jonathan and Alan B. Krueger (2015). *An Analysis of the Labor Market for Uber's Driver-Partners in the United States.* Princeton University, Working Paper No. 587

[17] Ibid.

complete business objectives, he or she should redesign positions and organizational structure to accommodate employee preferences and labor market realities.

II. *Managing Increasingly Complex Project and Work Arrangements*

Along with the growth of diversified workers comes legal ambiguity and risk. Between 2014 and 2015, the number of freelancers increased from 9.3 million to 14.1 million as a result of the gig economy.[18] One way to mitigate legal repercussions and enable an organization's HR function to focus on business objectives is a Professional Employer Organization (PEO). A PEO is a third-party outsourcing firm that conducts administrative and maintenance paperwork while freeing up HR professionals' time to concentrate on culture, employee engagement, and organizational management.[19] Time is especially important for CHROs who want to reduce the cost of administrative work while developing a core HR workforce dedicated to creating opportunities and managing and matching employees to projects and assignments.

Because many organizations are looking for enhanced ways to match talent to roles, projects, and assignments, CHROs must advise senior leadership on either developing internal talent versus external hiring or bringing in contractors. Sometimes, multiple companies are working on ways to create more opportunities to push employees into often short-term stretch assignments even when the individuals involved may not have all of the required competencies. Currently, many companies use some type of computerized internal resourcing process whereby managers identify open positions for which qualified and interested employees can then apply.

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[18] Upwork and Freelancers Union (2015). *Freelancing in America: 2015.* Retrieved from https://fu-web-storage-prod.s3.amazonaws.com/assets/pdf/freelancinginamerica2015.pdf

[19] White, Sarah K (2016). *How to Manage Workers in the Gig Economy.* Retrieved from http://www.cio.com/article/3072145/hiring/how-to-manage-workers-in-the-gig-economy.html

Some, especially those with considerable project work or other types of short-term assignments, are beginning to expand on this. For example, workers who are between assignments might be encouraged to self-identify to managers or teams that might have use for their skills or in some cases even to create new projects where they can put their skills to work productively.[20] Notably, virtually all companies are making extensive use of various types of temporary employees or contractors in response to their ever-changing talent needs and the desire of an apparently increasing number of people to adopt work patterns that provide greater flexibility and personal control. Some companies are even experimenting with ways to replicate this development among current employees as a means of engaging them in developmental opportunities and work-life situations that they find more personally meaningful and fulfilling.[21]

Research shows that organizations need to focus on the development and training of their talent in order to achieve superior project performance and successful strategic initiatives. Organizations are currently facing unique challenges: few companies are focusing on knowledge transfer to the extent they should and this could be hindered by the fact that nearly two-thirds of organizations report using outsourced or contract project managers.[22] For instance, in 2014, 26 percent of organizations planned to increase the percentage of project managers who were contracted or outsourced in compared with just 20 percent the year prior.[23]

So much of the impetus behind the growth of the contingent workforce lies in individuals' desire for flexibility in when, where, and how they work. As one leading human-

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[20] CAHRS. (2015) CAHRS working group: the future of work. *Cornell University ILR School.*
[21]CAHRS working group: the future of work.
[22]CAHRS working group: the future of work.
[23]CAHRS working group: the future of work.

capital research firm argues, "if your organization isn't willing or able to customize the employer-employee relationship, it will lose prospective and current talent to someone who does."[24] And yet, even as ways of working and organizing work become more complex and varied, few companies are training managers in how to manage flexible work and mixed employee/contractor teams. There is a direct correlation between effective talent management and better project performance.[25] But, according in-depth surveys by WorldatWork, for the past five years more than 80 percent of managers and employees report not receiving the support and training to be successful in performing flexible work or managing flexible teams.[26] It is the responsibility to the CHRO to ensure that management and organizational structures, systems, and capabilities can transform and grow to meet the increasingly flexible forms of working that companies employ and their workers and contractors demand.

Key Role # 3: Chief Evangelist for Design Thinking And New Technology Adoption

I. *Design Thinking*

Closely linked to organizational agility and flexibility is the role of technology. Tomorrow's CHROs must keep up-to-date with technological innovations and drive the adoption of technological tools and processes that enable the flexible and efficient deployment of talent. One growing area is the increasing adoption of design thinking which provides a structured way to focus on the employee's personal experience to create processes centered upon the worker. The result is new solutions and tools that directly contribute to employee productivity,

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[24] Fickles, J. (March, 2016). The contingent is coming. *Workspan*. WorldatWork, 22.
[25]CAHRS working group: the future of work.
[26]WorldatWork. (2015). Trends in workplace flexibility, 18-19. Retrieved from: https://www.worldatwork.org/waw/adimLink?id=79123

engagement, and enjoyment.[27] CHROs must actively build expertise in design thinking, new organizational structures and teams, and business-integrated HR.

II. ***Building an Ecosystem of Teams***

The breakdown of departmental roles into projects and assignments not only empowers employees to freely explore and share skills, but it also facilitates team building between independent contractors and full-time employees. Teams foster flexibility, collaboration, and responsiveness.[28] Full-time employees placed in projects with temporary hires have the opportunity to exchange skills and knowledge. Full-time employees from other fields in the company also receive the opportunity to network with other workers if placed in the same team. By creating a network of project teams, employees can discover other unfulfilled roles in other company projects and, thus, further share skills among each other.

III. ***Using Technology to Deploy and Develop Talent***

CHROs must also champion investments in crowdsourcing management systems and digital platforms with CTOs and CIOs to fully capitalize on gig workers. As communications scholar Daren Brabham defines it, crowdsourcing is an "online, distributed problem-solving and production model."[29] Crowdsourcing allows multiple workers to participate in a process. Initially begun by Amazon under the name Mechanical Turk, the crowdsourcing model became

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[27] Deloitte. (2016). Global human capital trends 2016: the new organization different by design. *Deloitte University Press,62-87*. Retrieved from: http://www2.deloitte.com/us/en/pages/human-capital/articles/introduction-human-capital-trends.html

[28] Harraf, A., Wanasika, I., Tate, K., & Talbott, K. (2015). Organizational Agility. Journal of Applied Business Research, 31 (2), 675-686.

[29] Brabham, Daren C (2008). "Crowdsourcing as a Model for Problem Solving: an Introduction and Cases." *Convergence: The International journal of Research into New Media Technologies* 14, no 1: 75-90.

popularized with TaskRabbit, a company founded by software engineer Leah Busque,[30] and Airbnb, an online marketplace enabling peer-to-peer lodging sales.[31] The growth of crowdsourcing created the "peer economy" where consumers' requests are quickly satisfied through just-in-time services.[32] By adopting online, digital platforms and a crowdsourcing management system, companies can utilize a variety of employee types, restructure employment contracts, and quickly fill in projects and assignments at a low cost. In addition, such management systems will produce higher quality data about the workforce. Predictions about the internal workforce will rely on IT systems that provide data to be assessed and summarized.

As digitization rapidly changes the nature of work, the CHRO must educate C-Suite members on the systematic, decentralized approaches to matching talent as opposed to traditional approaches such as sharing and gig platforms. By utilizing online labor marketplaces, social media, and freelancer networks, firms can connect and match candidates to work assignments and projects more cost effectively.[33]

IV. Using Technology for Upskilling

Because of the primarily online approaches to employee development, CHROs need to make the case to CTOs and CIOs to invest in cloud platforms for learning. The digitization of education and massive online open courses (MOOCs) has provided open source access to learning material. MOOCs enables low-cost replication of a classroom and teachers and high

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[30] Brynjolfsson, Erik and Andrew McAfee (2014). *The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies.* New York: W.W. Norton & Company.
[31] Airbnb. "About Us." *Airbnb.com*.
[32] Brynjolfsson, Erik and Andrew McAfee (2014).
[33] White, Sarah K (2016). *Hiring Trends for 2016: Welcome to the Gig Economy.* CIO.com. Retrieved from http://www.cio.com/article/3037004/careers-staffing/hiring-trends-for-2016-welcome-to-the-gig-economy.html

quality data reflecting the engagement of employees. For instance, the Massachusetts Institute of Technology's online education initiative MITx recorded 230 million clicks on course materials as well as over 100,000 comments.[34] Such MOOCs and digital platforms drastically reduce the cost of training and development programs and fill in worker skill gaps.

CHROs must lead their companies in talent development with technology to keep current employees' hard and soft skills.[35] The end goal should be seamless identification and deployment of trained and capable talent to where it is needed in real-time. The technological component of this will not be the real difficulty, the critical challenge will be to design organizational and management structures and processes that work as agilely and seamlessly as the tech. This is something that will have to be overseen by the CHRO as they make the case for necessary tech investments and management support to the CEO, CTO, and other leaders.

Key Role # 4: Enabling the CEO to Serve as Chief Culture Officer

It appears that another factor influences a workforce's attraction and retention to a firm, that factor being an organization's brand and culture. With the nature of the employer/employee relationship evolving, it will become increasingly complex to maintain and build a unified culture.[36] As the number freelance workers rise, which is the prediction for the foreseeable future, what does that mean for a company's culture and maintaining or creating a culture? What does it mean for brand management and external relations? Decades of research have shown that culture may be more critical than any single other factor in determining a company's market

[34] Brynjolfsson, Erik and Andrew McAfee (2014)
[35] CAHRS working group: the future of work.
[36] Kammeyer-Mueller, John, Herbert Heneman and Timothy Judge (2015).

success.

I. ***Solidify Employer Brand and Culture***

With the influx of gig workers, CHROs that strive to retain employees must cultivate a company culture and employer brand. A strong employer brand increases differentiation as an employer of choice among all other companies.[37] An employer brand reflects the quality of a workforce--if employees view their employer positively, more likely those employees are engaged, motivated, and productive. An example of a successful, fast growing company is MailChimp. In just ten years, the email marketing and newsletter company increased the number of paying clients by 150 percent and increased profitability by 650 percent.[38] Cofounder Dan Kurzius credits the creative, open corporate culture that allows employees to generate innovative, out-of-the-box ideas, ideas that catapulted MailChimp into an instant success. Thus, CHROs must foster and solidify a company culture and employer brand that reflects future business objectives.

II. ***Redesign Reward and Recognitions Systems***

To succeed in creating a successful culture within a hybrid workforce, CHROs must lead their organizations in designing compensation and recognition systems that reflect the existence of mixed teams and the growing importance of contingent labor. With contingent labor becoming an ever larger part of many companies' operations, HR departments must recognize that

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[37] *Employer Branding: What is Employer Branding?* ICMA Group. Retrieved from http://www.theicmagroup.com/en/employer-branding

[38] Chima, Chikodi (2011). *Creative Cultures: MailChimp Grants Employees "Permission To Be Creative."* Fast Company. Retrieved from http://www.fastcompany.com/1767793/creative-cultures-mailchimp-grants-employees-permission-be-creative

motivating and rewarding desired behaviors from contractors will be just as important as doing so for full-time employees. One way to build a social connection with employees is through social benefits offerings. Rising benefit costs from social security contributions and health insurance premiums incentivized companies to hire independent contractors to avoid providing benefits.[39] For CHROs who are not concerned with maintaining a core workforce, reforming rewards and compensation does not top as a priority. However, contrary to popular opinion, CHROs who wish to attract and retain workers need not immediately provide health insurance and retirement plans. In fact, Uber and Lyft "actively compete with one another to recruit drivers, and many drivers who have worked via both platforms have strong opinions about the differences between the two firms."[40]

III. *Diagnosing Organizational Problems*

One last key part of maintaining a culture of success is being able to diagnose organizational problems. The CHRO should be in a position to pinpoint precisely why an organization might not be performing well or meeting its goals. Leaders must learn to seek such analysis from their CHROs and HR departments instead of defaulting to hiring consultants. CHROs have to step up to this task however, they must be able to look beyond obvious external factors, such as falling commodity prices or currency fluctuations, and link the numbers with insights into the company's management structures and social networks—how people are

[39] Dube, Arindrajit and Ethan Kaplan (2010), 'Does Outsourcing Reduce Wages in the Low Wage Service Occupations: Evidence from Janitors and Guards.' Industrial and Labor Relations Review, 63 (2), 287–306.

[40] Kristine M. Kuhn (2016). The Rise of the "Gig Economy" and Implications for Understanding Work and Workers. Industrial and Organizational Psychology, 9, pp 157-162.

managed and how they work together.[41] A correct diagnosis will suggest the right solution and avoid unfairly dismissing people who made honest mistakes given the information they had available or who were faced with external developments beyond their control.

In an era of increasing talent mobility and independence, CHROs will also need to be willing to try disruptive and innovative approaches to solving cultural and social challenges. For example, some organizations are experimenting with developing cultural profiles of teams and units and encouraging employees to self-select into those cultures that fit their personal proclivities.[42] Google is running a hundred-year longitudinal study to find out what a makes a team's culture successful.[43] More of this type of diagnostic thinking will be needed.

Final Thoughts: Cultivating Future CHROs

Many of the keys skills and roles that will be required of CHROs are not new or unique to the rise of the gig economy but have long been seen as the prerequisites for HR leaders to enhance their strategic value. As the global economy and talent market have become more complex and competitive, these capabilities are increasingly being highlighted precisely because of their weakness and absence in sizeable portion of the HR talent pool. When asked why it was difficult to find top and potential CHROs, a large majority of business leaders say that a lack of business acumen among candidates is the biggest factor. Indeed, business savvy is one of the traits that ties all the aforementioned skills together and is strongly connected with HR leaders'

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[41] Barton, D., Carey, D., Charan, R. (2015).

[42] CAHRS working group: the future of work.

[43] Duhigg, C. (2016). "What Google Learned From Its Quest to Build the Perfect Team." *New York Times.* Retrieved from: http://www.nytimes.com/2016/02/28/magazine/what-google-learned-from-its-quest-to-build-the-perfect-team.html

ability to tackle new challenges.[44]

Still, the number of top-notch CHROs continues to grow and many organizations are finding effective ways to raise the caliber of potential CHRO talent in the pipeline. Top recommendations for cultivating the effective CHROs and the HR executives of tomorrow include:

- Requiring HRBPs and business leaders to partner and work closely together. As most HRBPs and other functional leaders have come up through the HR pipeline they might have gaps in terms of predicting, diagnosing, and prescribing actions that will improve business performance. Frequent inclusion in broader business discussions and cross-functional leadership meetings will expand an HRBP's understanding of the business.[45]
- Many companies such as Google and Halliburton now move people between HRBP roles and other functions to develop a more analytical and business savvy mindset within HR. Commercial experience is seen as vital for all HR professionals and it is increasingly recommended that no one advance to top HR roles without spending time outside the function.[46]
- Mandating skill upgrading and greater business education. Companies are increasingly

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[44]Korn Ferry. (2015). CHRO pulse survey 2015. Retrieved from: http://www.kornferry.com/institute/chro-pulse-survey-2015?reports-and-insights

[45]Barton, D., Carey, D., Charan, R. (2015).

[46]Deloitte. (2016). Global human capital trends 2016: the new organization different by design. *Deloitte University Press, 82.* Retrieved from: http://www2.deloitte.com/us/en/pages/human-capital/articles/introduction-human-capital-trends.html; Similarly see: Deloitte. (2015). Global human capital trends 2015: leading in the new world of work. *Deloitte University Press, 65-67. http://www2.deloitte.com/content/dam/Deloitte/at/Documents/human-capital/hc-trends-2015.pdf* ; PwC. (2014). 17th annual CEO survey: adapting to growth. https://www.pwc.com/gx/en/hr-management-services/publications/assets/ceosurvey-talent-challenge.pdf ; Stephens, C. (2015). Are HRBPs a dying breed?. *People Management*, 36-37.

requiring senior HR staff to participate in business certification programs or receive MBAs. Companies are also moving to hire younger top talent into the function as they should possess a more intuitive understanding of technological tools and rising workforce trends such as the growth of the gig economy.[47]

It should also be noted that while CHROs will need to have broad strategic competences in the four roles mentioned in this paper, they do not need to have specific expertise in all the requisite skillsets. Instead they must be able recognize the criticality of these skills for the business and then assemble, build and oversee teams of experts within the function. CHROs much then serve the chief talent knowledge broker delivering insights, information, and solutions to where it is needed in the organization and creating a broad narrative of the global talent environment and trends for the C-suite. The more CHROs are able to create value by performing this role, the more willing the business will be to provide the technological, financial, and human resources to continually improve and strengthen the HR function's capabilities and standing.

[47] Global human capital trends 2016: the new organization different by design, 80.