



**PEOPLE  
ECOSYSTEM**

**EXPAND THE  
SCOPE OF HRM  
TO THE COMPANY'S  
ECOSYSTEM**

# EXPAND THE SCOPE OF HRM TO THE COMPANY'S ECOSYSTEM

## PEOPLE ECOSYSTEM

by Alain Thys

### OVERVIEW

By shifting the scope of your human resource team from the business to the ecosystem, it becomes less about being an administrator of employees and more about being a partner who facilitates jobs that need to get done. It becomes about helping your business become more flexible and less fragile, improving cooperation with supply chain partners, generating economies of scale and helping support individual talent to be both more productive and more engaged.

*"Human factors  
only appear in the  
realms of productivity,  
health and safety."*

*Alain Thys, Experience Architect*

According to the textbooks, a supply chain is defined as the organizations that work with you to make your products and services flow.

**BUT IN REALITY, IT IS MADE UP OF HUMANS. HUMANS THAT DIRECTLY INFLUENCE THE CUSTOMER SUCCESS OF YOUR BUSINESS. THEIR NUMBERS ARE SIGNIFICANT.**

The fifty largest companies in the world employ around 20 million people altogether. But their supply chain, the people who indirectly contribute to the company value, is around 116 million. That's right - for every employee that works directly for your business, there are four who work for an ecosystem partner.

They are the drivers of the little yellow vans that deliver products. The data analysts that optimise processes. The seamstresses that stitch fabrics. The external designers and researchers that help create new products. The facilities teams that ensure the machinery of a subcontractor is clean and therefore reduce the faults in your products.

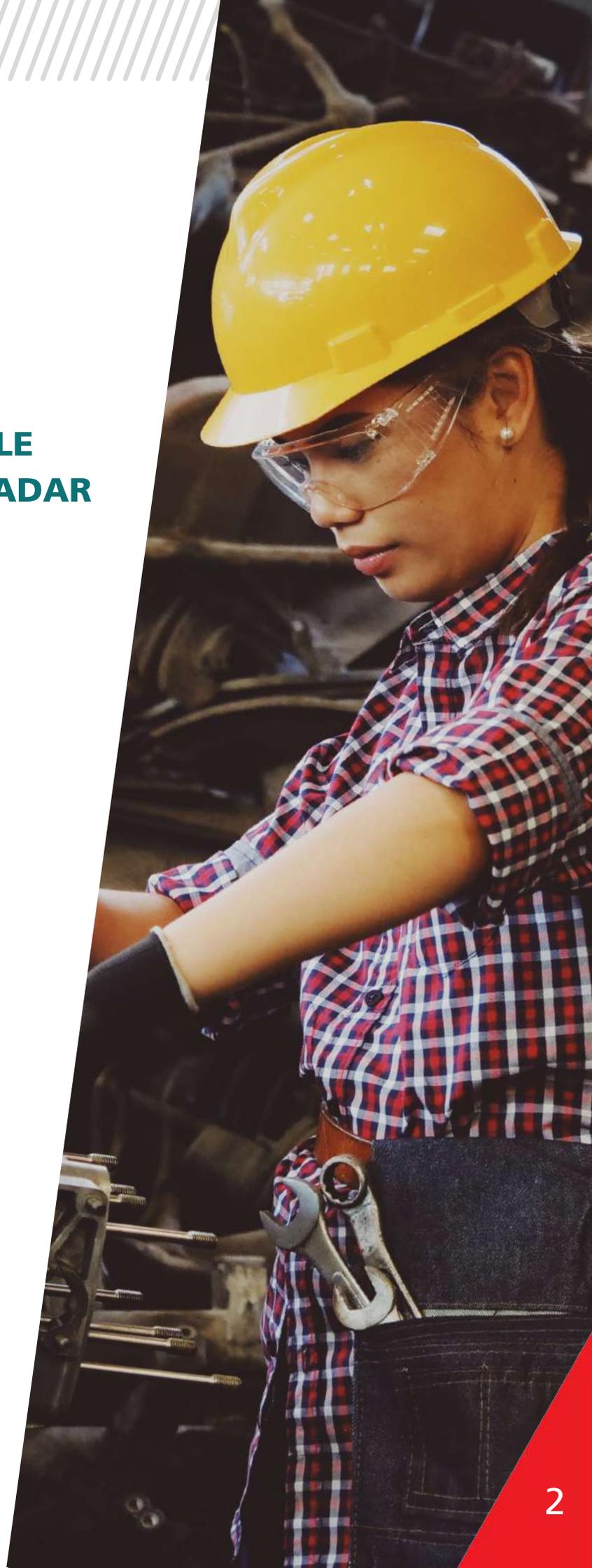
## **SO FAR, ALL OF THESE PEOPLE HAVE REMAINED OFF THE RADAR FOR MOST HR LEADERS.**

The relationship with their employers is managed by purchasing and operational departments and largely focuses on numbers, margins and efficiencies. Human factors only appear in the realms of productivity, health and safety. Or when mistakes get made.

## **BUT AS THE RATIO OF EXTERNAL VS. INTERNAL EMPLOYEES CONTINUES TO INCREASE, HR CANNOT REMAIN ON THE SIDELINES.**

After all, while these individuals may identify with another employer, they are human resources that directly or indirectly contribute to the customer and financial success of your business. As an HR leader, that makes them your responsibility.

Specifically, you can get involved in three ways.



# #1 - HELP IMPROVE HUMAN COOPERATION BETWEEN KEY BUSINESS PARTNERS

Successful collaboration with an ecosystem or supply chain partner is about more than good prices and quality control. When your partner's employees need to heavily interact with your own teams or with your end customer, their skills and culture need to be compatible with what you want to achieve 'beyond the transaction'.

As an HR leader, you can introduce yourself into the ecosystem conversation and adding value to this cooperation in several ways:

## HELP SELECT SUPPLY CHAIN PARTNERS

During the purchase and vendor selection process, you can help ensure that the teams on both sides of the equation are truly compatible. Their skills should be matched, they should have complementary mindsets and you should be aware of potential areas where issues could develop.

## ALIGN TEAMS ACROSS COMPANIES

The care that goes into aligning and building an in-company team doesn't always extend to ecosystem partners. This can still create an us vs. them atmosphere with all the associated problems. By taking the initiative and proactively aligning teams across companies, you can ensure a much more fluid, and thus profitable collaboration.

## PREVENT AND SOLVE CONFLICTS

Collaborations work effectively until the day they break down. And even the most technical conflicts can always be traced to human disconnects.



## HOW TO INTRODUCE YOURSELF INTO THE ECOSYSTEM CONVERSATION?

- Help select supply chain partners: You can help ensure that purchase and vendor selection teams are compatible and that their skills match.
- Align teams across companies: Ensure a more fluid and profitable collaboration, thus avoiding a negative and confrontational atmosphere.
- Prevent and solve conflicts: Regularly check in with people on each side of the arrangement, serving as a facilitator to assist in the resolution of conflicts.

Your HR team can prevent these disconnects from happening by regularly checking in with the people on each side of the arrangement, especially when new employees join the team. If conflicts do arise, you can offer assistance using the same methods you would use in-company.

Considering the investment required, this type of involvement may only make sense for business-critical partnerships. But considering the comparable investments the business typically makes in supply chain relationships, these investments can provide double or even triple-digit returns.

## #2 - ALIGN PEOPLE MANAGEMENT PRACTICES ACROSS SUPPLY CHAIN PARTNERS

Labour relation practices can vary widely across any supply chain. On the extreme end of the scale, the company's high-tech, employee-centric headquarters may have Cambodian supply chain partners that are little more than sweatshops.

*"Pay should be fair and workers should be treated with equal respect".*

*Alain Thys, Experience Architect*



But even in more modest terms, employees from different partners might notice that they receive vastly different benefits despite doing similar jobs.

### **AS AN HR LEADER, YOU NEED TO TAKE THE INITIATIVE AND ALIGN THE PEOPLE MANAGEMENT PRACTICES ACROSS YOUR ECOSYSTEM.**

Not just for moral reasons or to avoid PR risks (even though these may be compelling reasons in their own right). But also because it will make cooperation across the supply chain more effective and provide significant benefits.

By aligning the human resource practices across your supply chain, you can:



## **CREATE CONSISTENT LABOUR CONDITIONS ACROSS YOUR ECOSYSTEM**

This doesn't mean everyone needs to make the same amount of money. But it does mean making sure that people who do similar work get similar recognition within the context of their business, culture, gender, religion or location. Pay should be fair and workers should be treated with equal respect. In other words, they should feel equally valued when working on your company's products or services.

## **INTRODUCE ECONOMIES OF SCALE WHEN PURCHASING HR SERVICES OR TOOLS**

By aligning HR policies across ecosystem partners, you can pool the purchase of tools, software and services and therefore create considerable economies of scale.

## **INCREASE EMPLOYEE MOBILITY ACROSS THE ECOSYSTEM**

If labour conditions are similar and policies converge, you can encourage mobility from one supply chain partner to the next or even consider creating an ecosystem talent pool. And yes, as you will see below, that can be a good thing.

When doing the above, you obviously need to consider the constraints of industry regulations and employment law. There may also be areas where competitive information is simply too sensitive to share and your colleagues in other businesses may look at you a little funny when you first approach them. But in general, you will find that

approaching eco-systems partners with a mindset of looking for what you could have in common can quickly generate tangible opportunities for all involved.

### #3 - TRANSFORM THE TRADITIONAL CAREER INTO A "LIFETIME OF GIGS"

According to a report from the US Bureau of Labor Statistics in 2020, the average employee holds about twelve jobs in a lifetime and there are signs that this number will only increase.

While some of these job changes can happen within the same company, the days in which an employee and employer made a life-long commitment are gone. Businesses need the flexibility to grow and retract with their market. Talent has discovered that for continued growth they regularly need to explore new horizons.

At the level of an individual company, this makes long-term career planning tricky for all involved. The best-laid plans can go wrong if yet another reorganisation is needed.

But if you expand the scope of career planning to your complete ecosystem as an HR leader, you suddenly face a world of opportunities. Instead of talking about the utopian career for life, you can shift the conversation to a career of gigs.

The job of human resources is then less about providing a clear career path. It should be focused on becoming a trusted partner who provides a



#### HOW CAN YOU, AS AN HR LEADER, GET INVOLVED IN THIS ECOSYSTEM?

- Help improve human cooperation between key business partners.
- Align people management practices across supply chain partners.
- Transform the traditional career into a "lifetime of gigs".

ifetime of opportunities that allow people in the organisation to work, grow and make a living.

## THESE GIGS CAN HAPPEN IN YOUR OWN BUSINESS,

but also at an ecosystem partner where your employees can build valuable new expertise in a part of your value chain. If they return to your business at a later point in time, they will bring this knowledge back with them. And even if they don't return, you still win as they will continue adding value to the bigger picture, and therefore your own business as well.

### ALAIN THYS THE AUTHOR



Alain Thys is an experience architect who has led transformation programmes impacting employees in 100+ countries. He specialises in the development of customer, employee and stake/shareholder experiences that delight and transform.

### SOURCES

[1] ITUC Frontline report, 2016

[2] U.S. Bureau of Labor Statistics. "Number of Jobs, Labor Market Experience, and Earnings Growth: Results From a National Longitudinal Survey." Accessed Jan. 15, 2020.



# HR & STRATEGIC CHANGE

## AS AN HR LEADER, YOU SEE THE CHANGE

Digitalization brought us a world of new business models, eco-systems and complexity. New collar jobs require a lot of blend digital, technical and soft skills. Change has truly become a constant. Talent shortage is real.

## YOU WANT TO EXPAND YOUR ROLE, BUT LACK THE TOOLS TO MAKE IT HAPPEN

In the 2020s, HR leaders will need to become true talent managers, proactively helping the business to manage the human aspects of digitalization, uncertainty, engagement and supply chain transformation. And while you want to create tomorrow, your toolkit still focuses on improving yesterday, assuming that HR is only about attracting, developing, retaining and especially administrating employees. If you want to do more, the white papers on Google offer beautiful buzzwords but they provide little practical guidance.

## HR & STRATEGIC CHANGE: Key services & tools to support you

- ▲ Personal coaching and assistance from global experts to expand HR to talent management.
- ▲ Craft employee experiences that increase employee engagement and help align behaviour to the company strategy.
- ▲ Engage your people with an organisational purpose that delivers profit and a sense of personal fulfilment.
- ▲ Create a tech positive culture, that uses automation and digitalisation to augment the performance of the talent in your business.
- ▲ Leverage the talent in your company's ecosystem for maximum value to your organisation.

**CONTACT US TO DISCOVER THE NEXT STEPS  
FOR YOU AND YOUR COMPANY**



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