

# School of Social and Behavioral Sciences

# What are the Challenges and Opportunities of Including Freelancers in Talent Management Systems, Given a Changing Business Environment?

# Master Thesis MSc. Human Resource Studies

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June 30th, 2021

#### **Abstract**

Given the rapid and continuous changes in the business environment, alongside the growth of freelancers, scholars argue that firms must adapt and reinvent their talent management systems (TMS), to be more inclusive to new workers like freelancers, and to thrive in a context of change while sustaining a competitive advantage. This study aims to explore the challenges and opportunities of including freelancers in TMS, given a changing business environment. Thereby contributing to the establishment of a stronger theoretical understanding of the inclusion of external workers in today's organizations. For that, in depth semi-structured interviews were conducted with 5 HR professionals and 5 freelancers, to explore opinions on the subject from both sides. Results show that including freelancers in TMS seems highly complex as of today, but potentially feasible in the future. The challenges impeding the inclusion of freelancers in TMS are a misalignment of firms and freelancers' mindsets, the high financial and legal risks of investing in a volatile resource for firms, and the contradicting natures of freelancing and TMS. The opportunities facilitating the inclusion of freelancers in TMS are the design of a flexible TMS structure around the core TMS, the establishment of stronger networks of partnerships with freelancers and the implementations of talent pools of freelancers. Most interestingly, as the business environment becomes increasingly flexible and as mentalities keep evolving, an opportunity opens up for firms to consider freelancers as "talents" to utilize in response to the changing business environment, and thereby include them in TMS. To conclude, this study participates to the growing reflexion behind the management of tomorrow's workforce, as freelancers are growing in the workplace, new mentalities are emerging, and employment mobility on the labour market is increasing in general.

# What are the Challenges and Opportunities of Including Freelancers in Talent Management Systems, Given a Changing Business Environment?

The business environment is continuously subject to a tremendous number of changes, challenging the way organizations manage their workforce. In recent years, with the emergence of a global economy, significant technological advances, an increased workforce mobility, the COVID-19 pandemic, and the growth of new types of employment relationships, the work, workers, and organizations have been facing real changes (Agarwal et al., 2017; Rojewski & Lasonen, 2004; Kim et al. 2020; Lawler, 2017). In the wake of this changing business environment, firms increasingly turn towards their talent management system (TMS), as it helps them ensure that they have sufficient supply of talented employees to meet organizational goals (Mohammed, 2019). As articulated by the CGMA (2012, p. 1), "two of the most critical factors that determine an organization's fate in this environment are the quality of its human capital and the way it manages its talent pipeline", thereby supporting the idea that an efficient TMS can be key to success in changing environments.

With the growth of a global economy companies now face stronger competition for skills worldwide (Manisha, 2018). In addition, important talent and skill gaps are appearing; according to the Talent Shortage Survey by Manpower Group (2020), 54% of companies report that they cannot find the skills they need, while other markets are nearing full employments. As a result, shortages of talented workers are increasing and affecting firms' ability to adapt and innovate (Lyons et al. 2017). Technological advances and greater workforce mobility have also given rise to many freelance initiatives and activities (Mettler & Williams, 2011). Interestingly, as new types of workers emerge, Claus (2019) argues that TMS are not properly meeting the needs of workers anymore. Moreover, the COVID-19 pandemic has greatly impacted firms and workers,

by forcing many of them to make rapid changes (Sharma et al. 2020), adopt more flexible practices like teleworking (Ferrando & Ganoulis, 2020), or quickly adapt their employment contracts (Kim et al. 2020). As a result, thriving in a climate of constant changes and uncertainties has become a reality for enterprises and workers.

As a response to these changes and challenges, Claus (2019) argues that it is time to reinvent TMS to better meet workers needs and address these changes. In accordance, Lawler (2017) states that in order for organizations to thrive in this context of change, they must reinvent their TMS so that it support experimentation (i.e., of new configurations), agility in their processes, and changes. Along similar lines, Lyons et al. (2017) posit that businesses must be agile in order to succeed in changing environments, and for that they must expand their workforce towards a more agile one. McKeown and Pichault (2020), also point out to the fact that talent management literature almost exclusively focuses on traditional employees while ignoring the external workforce, which they propose as a resourceful source of new talents to address a changing environment. Interestingly, Lyons et al. (2017) propose freelancers – external workers - as members of this agile workforce, explaining that freelancers offer the flexibility and agility needed by firms to thrive in times of uncertainties and still meet organizational goals. According to the European Commission (2010) study, freelancers have been found to be more resilient to economic downturn compared to dependent employees. Freelancers have a lot to offer businesses, however, also suffer from a lack of support from firms (Lyons et al, 2017; Mettler & Williams, 2011). Therefore, for the benefits of both firms and freelancers, arranging more inclusive TMS could create a win-win situation.

Given that including freelancers in TMS is a relatively new subject in the academic field, this paper aims at reducing the gap in literature on this topic while also considering the changing

business environment. Indeed, on the one hand, the literature on talent management, on growth of freelancing and on the quickly changing environment is relatively extensive. (Ansar & Baloch, 2018; Barlage et al., 2019; Agarwal et al. 2017). On the other hand, the literature on the inclusion of freelancers in TMS is very limited (McKeown & Pichault, 2020). Despite the challenges of including freelancers in TMS given its recency in the academic field, the benefits are numerous in terms of innovative thinking, agility, and management of entrepreneurial risks (Lyons et al. 2017; Barlage et al., 2019). As such, as researchers suggest a reassessment of TMS in the light of the changing business context, including freelancers is worth considering (Claus, 2019; Lyons et al, 2017; Lawler, 2017; Cappelli, 2008). Accordingly, the argument of this paper lies in the idea that, although not without its challenges, including freelancer in TMS could offer organizations the agility and flexibility they need to address the changing environment. Also, it is important to note that firms' decision to include talents that are external to the company depends on the analysis of the costs and efficiencies, the opportunities for growth as well as the new market opportunities that the external talent brings (Cascio & Boudreau, 2017). Therefore, given the benefits of working with freelancers for firms (Burke, 2012; Burke & Cowling, 2019) it becomes interesting to explore the challenges and opportunities of including freelancers in TMS given a dynamic and fluctuating environment.

Accordingly, the research question is as follows: What are the challenges and opportunities of including freelancers in talent management system, given a changing business environment?

#### **Theoretical Framework**

#### **Talent Management**

Establishing a common definition of talent management has always been subject to considerable disagreement amongst scholars (Ashton & Morton, 2005; Mellahi & Collings, 2010). As such, for the purpose of this paper, two complementary definitions were chosen, one covering the content and the other covering the purpose of TMS. Accordingly, talent management refers to the use of human resource management activities to attract, identify, develop, and retain talented individuals or talents (Meyer et al., 2013), as well as the need for organizations to properly utilize and manage their talents for the benefit of the organization (Ansar & Baloch, 2018). Although the perception of "talent" varies by organizations it remains equally determinant as to what talent management systems will look like (Meyers et al., 2013).

Various scholars suggested that talent management systems can adopt either exclusive or inclusive approaches (Meyers, 2016; Iles et al., 2010). Exclusive talent management only focuses on managing employees who display high performance, who are unique, valuable and who usually occupy strategic positions in organizations (Lepak & Snell, 1999; Silzer & Church, 2009; Huselid et al., 2005). Currently, many firms implement this exclusive focus, although it remains an approach that is only directed at about 1-15% of the workforce in organizations (Meyers, 2016). Inclusive talent management on the other hand, refers to the idea that all employees are talented and have valuable qualities that can be efficiently used by organizations (Meyers, 2016). An inclusive focus also means that firms view a talent or talented individuals as any employee capable of fulfilling organizational goals; they consider the whole workforce (Iles et al., 2010; Meyers, 2016).

Finding the appropriate talent management approach that will fit organizational' culture, help sustain a competitive advantage and properly respond to internal and external changes can be challenging. However, it is indisputable that talent management has become much more than just a trend in modern organizations, as learning to properly manage talents represents a real and vital competitive advantage (Manisha, 2018). In fact, one in six organizations reported that, confronted with challenging economic climates, their current talent-management systems were ineffective, hurting organizational performance (CIPD, 2012). This might indicate that current approach to talent management is either unfit for firms in terms of agility needs or not well adapted to respond to challenging environments. In accordance, due to the significant changes occurring in the business environment, scholars argue that it is time to seriously review talent management systems (Claus, 2019; Lyons et al, 2017; Lawler, 2017; Cappelli, 2008). As such, for firms to gain competitive advantage, they must ensure that their talent management system and approach is in accordance with the rapid changes experienced in the business environment.

# **Changing Business Environment**

Over the years, the business environment has been changing. Notably with the rise of globalization, referring to the growth of cross-border trades in goods, services, and technological advances, as well as the increasing flows of investment, people, and information (Ehambaranathan et al., 2014). Through globalization, the world's economies, cultures, and populations are increasingly interdependent thereby affecting the way business is conducted (Agarwal et al. 2017). In fact, for organizations, globalization means the possibility to operate globally; in 2018, there was around 60,000 multinational corporations (World Atlas of Global Issues, 2018). However, many businesses do remain local, but although they do not operate globally, they are nonetheless affected by firms that do, as they compete for labor with them

(Lawler, 2017). As such, talents or talented workers have become a global resource and finding the right talent, for the right price, at the right place has also led to an increased competition for the best talents (Lawler, 2017). In an increasingly competitive context and an intensifying international labour mobility (OECD, 2009), organizations thus have to ensure effective strategies to retain their talents and remain competitive. Especially as the workforce is diversifying, as talents now enter the workplace with new sets of expectations, and as talents also come from different cultures, new needs may have to be addressed and new management styles may need to be adopted (Dong & Ibrahim, 2017).

According to Lawler (2017), this highly competitive and rapidly changing business environment is also due to the increasing availability of financial capital and the growth of a global economy. A global economy means an important and available supply of capital, which allows many new businesses to grow and as a result generate an increasingly competitive business environment (Lawler, 2017). While facing greater competitiveness for talents and skills, firms also encounter fluctuations in the labour market and talent shortages, where they struggle to find suitable candidates or skills (Ansar & Baloch, 2018). According to the skill gap survey by SHRM (2019), this could be due to an increasing competition with other employers, a lack of proper training, a lack of required work experience, a lack of right technical skills, or low number of applicants. As a result, organizations need to respond with strong and effective talent management strategies that optimally draw on the available human capital to ensure competitive advantage (Cappelli, 2008). This human capital perspective on talent draws upon the resourcebased view of the firm, where human capacities (i.e., employees) are key to creating added value for the organization (Nijs et al., 2014). Another aspect of the changing business environment is dealing with uncertainties. Given the sanitary restrictions and unanticipated changes brought by

the COVID-19 pandemic, some firms are struggling to find the appropriate talent management strategy that will ensure their competitive advantage (Kim, et al. 2020).

Technology is another major factor of changes for business environments. The important progress in information technology (IT) in particular, has transformed the way work is done; workers can work remotely, the increasing set of digital tools can support any kind of work and both employers and employees are able to stay connected at all times (Lawler, 2017).

Technology has also allowed the rise of the "gig" economy where, monitored via digital platforms, workers are hired temporarily for specific missions (Barlage et al., 2019). The gig economy is creating exciting opportunities, particularly as it unleashes innovation, a sustainable and efficient way to face the changes and uncertainties of dynamic business environments (Barlage et al., 2019). However, this new type of economy posits challenges regarding workplace protections and quality of work (Barlage et al., 2019). At last, one clear implication of technology is that, as it represents an area where the rate of change is likely to continue growing, firms will continue to be impacted and will need to continuously adapt and be flexible in the way they manage their workforce and operations (Lawler, 2017).

#### **Freelancers**

Generally, freelancers are referred to as independent professionals (Burke & Cowling, 2019) or nonstandard workers (Cascio & Boudreau, 2017) who grow with the gig economy as they hold only temporary positions within firms (Barlage et al., 2019). A freelancer also refers to a hybrid worker, that is both employed and entrepreneur; employed, as they are hired by corporations for specific time periods and selling their intangible professional knowledge, and entrepreneur, as they work with no guarantee nor support from firms and rather at their own risks

and benefits (van den Born & van Witteloostuijn, 2013). This explains the link between freelancers and firms, which is in turn relevant for this paper as this relationship will be explored.

According to Nye and Jenkins (2016), the number of freelancers in the EU has been increasing exponentially, indicating that more workers are drawn to working independently in professional roles. In accordance, Clapon (2016) explained that the number of freelancers has been rising as new generations of workers are increasingly looking for work flexibility, shifting away from more corporate jobs where they feel unappreciated, trapped, and overworked.

Freelance has indeed been shown to offer great flexibility as freelancer can move from one mission to another and are able to face challenges with great entrepreneurial spirit and innovative thinking (Barlage et al., 2019).

#### **Including Freelancers in Talent Management Systems**

In order to remain competitive in fast changing environments, Kang et al. (2003) argue that firms need to acquire and integrate new knowledge, which will serve as basis for innovation and continuous adaptation. In that regard, Barlage et al. (2019, p.4) posit that the essence of why freelancers are hired is exactly that: "to transfer their external expert knowledge to the organization and bringing the organization to the next level". In fact, an increasing number of firms are collaborating with freelancers as they enable businesses to be more innovative, flexible, agile, able to manage entrepreneurial risk, and capable of prospering despite great market uncertainty, which are crucial elements to navigate in a changing business environment (Burke & Cowling, 2015). As of today, firms and freelancers have been developing professional employment relations based on collaboration, however, inclusion of freelancers in TMS has not yet been considered as it would require firms to view freelancers as "talents" (McKeown & Pichault, 2020). According to Burke (2012), truly looking at freelancers as talents to be utilized

is essential, as they are a source of great added value, again resonating with the human capital perspective (Nijs et al., 2014). Burke (2012) found evidence for their considerable contribution to managerial and technical roles at various stages of the innovation process, generating added value by coming up with many innovative ideas, lowering the cost and risk of innovation, enabling the use of expertise not available in-house and enhancing the flexibility of firms (Burke, 2012). Burke and Cowling (2019) also found evidence for freelance being associated with enhanced organizational performance and sales growth, under the condition that at least 11% of a firm's workforce be freelancers for performance to appear affected.

This is interesting as firms' decision to include talents from outside its traditional boundaries is often based upon examination of the costs and efficiencies, the opportunities for growth and the possibility of pursuing new market opportunities that the talent candidate brings (Cascio & Boudreau, 2017). McKeown and Pichault (2020) also challenged the fact that freelancers and self-employed individuals are not included in talent management theory and practice. They argue that these independent professionals are not considered as "talents" in academic research as the literature solely focuses on standard employees thereby inhibiting the idea that nonstandard workers (i.e., freelancers) could be under the remit of TMS. In response, and given the benefits indicated by Burke (2012) and Burke and Cowling (2015, 2019), it would be valuable to explore the challenges and opportunities of including freelancers in talent management systems given an increasingly dynamic and changing business environment.

#### Methodology

This paper explores the challenges and opportunities of including freelancers in TMS, given a changing business environment. Both HR professionals and freelancers were interviewed to

obtain both points of view on freelancers' inclusion in TMS. As this topic is not well documented yet, a qualitative approach was used, which allowed the collection of an extensive set of data through open-ended and conversational communication (Flick et al., 2004; Kelle & Erzberger, 2004).

# Sample

In depth semi-structured interviews were conducted with 5 HR professionals and 5 freelancers. Freelancers were chosen using purposive sampling, without any requirements in terms of years of experience, sector of activity, age, or gender. HR managers were chosen selectively; they were required to have sufficient knowledge of TMS to provide insightful answers. However, they were not required to have had experience working with freelancers. To optimize the chances that they did, they were selected from large corporations. Most interviews were conducted in French with French participants except for two, one Dutch and one South African participant, which were both conducted in English.

Identifiers	Industry	Age Range	Gender	Nationality
HR professionals				
HR1	Insurance Industry	45-50	Female	French
HR2	Transport and Logistics Industry	35-40	Female	French
HR3	Retail and Banking Industry	50-55	Male	French
HR4	Retail Industry	50-55	Male	French
HR5	Clothing and Retail Industry	45-50	Female	French
Freelancers				
FR1	Research and Consulting	35-40	Male	Dutch
FR2	Publishing Industry	40-45	Male	South African
FR3	Retail Industry	30-35	Female	French
FR4	Luxury Clothing Industry	30-35	Female	French
FR5	Consulting Industry	35-40	Female	French

#### **Procedure**

Semi structured interviews were used in order to uncover the challenges and opportunities of including freelancers in TMS and for that a set of open-ended questions was prepared beforehand, one for the freelancers, and one for the HR professionals. The interviews, all conducted online, lasted between 30 to 90 minutes and were audio recorded. All participants signed an informed consent form prior the interview, agreeing to being audio recorded and informed that all data was being handled confidentially. Members checks were carried out with all transcribed interviews to ensure the psychometrics quality of the data. Also, in order to avoid any biases and ensure the validity of the interviews, no leading questions were asked, and myself, the interviewer, participated in an interview training session and conducted 3 pilot interviews. The participants were contacted through personal network and via LinkedIn in a timely manner. At last, to properly protect the participants, the informed consent form also ensured that all participants knew they were able to contact the principal investigator should they experience the interviews as burdening.

#### **Analysis**

Recordings were fully transcribed and translated (i.e., for the 8 interviews conducted in French) and then analyzed through a 3 steps coding system (Corbin & Strauss, 2008) with the support of Atlas software (Vollstedt & Rezat, 2019). The coding system was used to label and organize and, in the end, transform the raw data from the interviews into meaningful results and conclusions. The first step was open coding, which focused on desegregating data into conceptual units and attributing respective labels to these units. The second step was axial coding, which focused on finding relationships between these units or categories. The third and final step was selective coding, which referred to the integration of the various categories into a

theory or suggestion. The analysis of the interviews adopted a thematic approach, as through the analysis of the word and sentence structure, various themes were extracted (Schmidt, 2004). At last, assigning codes to words and phrases allowed to capture what the response were about, which, in turn, helped to better analyze and summarize the results of the interviews (O'Leary, 2004).

# **Findings**

#### The changing environment as an opportunity and a challenge

The five HR professionals interviewed characterized the current changing business environment as a climate where the rates of changes are accelerated, employment mobility is high, organizational visibility is limited, and organizational transformation are very frequent. Concretely, they also mentioned how young people approach the workplace with new mentalities, creating new profiles for firms and thereby new talent management challenges. They explain that nowadays people are much more mobile, especially talented people who are highly solicited and eager to take on the best opportunities.

"Young people are staying less and less. This reduced loyalty will have a real impact on TMS" (HR5); "The most talented people no longer hesitate to change companies. The trend is no longer to stay with the same company forever. There is a very high level of professional mobility today" (HR3); "Their vision of life in the company is totally different from the one we, 45/50 years old, have now. This will cause companies to rethink their approach to talent management" (HR5).

As a result, firms are faced with talent shortages, retention challenges, a need to be able to react faster and be more flexible in their processes, as well as more innovative in their ways of recruiting and looking for talents. Also, firms must ensure that employees remain motivated to

stay in the company. All HR managers indicated that losing talents with relevant expertise is very costly for an organization, even more so if the firm invested in the development of this particular talent.

"an expert is expensive and losing an expert is even more expensive for the company. You have to recruit a new one, train him or her, and acculturate him or her to the company." (HR3)

The changing environment and its subsequent challenges is shaking mindsets, specifically, one of the HR professionals revealed the importance of firms learning to act quicker and adapt.

"We will have to react more quickly, shorten the deadlines, a talent review will no longer have to be just annual, but done much more regularly and quickly. For certain categories of talent, we need to move much faster to avoid losing them. There is a question of timing. We will have to be more flexible, more agile, more inclusive in the way we do things."

(HR5)

Currently, to cope with the fluctuating environment and its challenges, firms started to recruit differently which allows them to be more flexible. When faced with rapid changes, firms sometimes need specific skills and expertise which they must look for outside organizational boundaries, as it is too costly to develop or not available internally. A couple of HR managers mentioned the use of transition managers — older employees with significant experience with organizational change who come in and help firms transition —, and timeshare employees — employees that work for several companies but have a single employment contract with a third-party structure.

"We need to go into areas that are somewhat neglected and look for unusual profiles or profiles that are far removed from the business world." (HR3); "when faced with

changes and challenges [...] you automatically look for all the lines of attack in the company and you question everything. And of course, we questioned all the departments, including the talent department." (HR4)

These HR managers also brought up doubts and questioned the rise of freelancers into the labour market. They mentioned the growing importance of values of inclusiveness in the workplace and how freelancers could potentially have a place in that context.

"Freelance inclusion is a real issue of substance because a lot of people won't want to be regular employees anymore." (HR3); "So the gap for freelancers to come in TMS depends in the end on what kind of skills we're looking for in the company" (HR4); "If we lose a key person, we will turn to a service provider, specialized in a specific field of activity, while waiting to recruit..." (HR3)

# The misalignment of firms and freelancers' mindset as an opportunity and a challenge

Currently, mindsets of freelancers and firms on freelancers' inclusion in TMS do not align, posing a challenge for the inclusion of freelancers in TMS. Compared with freelancers, firms' mentalities are unprepared and more close-minded. However, an opportunity to include freelancers in TMS lies in a change in firms' mindsets.

#### Firms' current mindsets

Next to a changing environment, the findings shows that another major challenge preventing the inclusion of freelancer in TMS was workplace mindsets. As of today, all HR managers stated that including freelancers in TMS is too early and firms are not ready for it. They highlighted that it would be complicated to make freelancer adhere to company's values. Corporate culture and organizational values are important means to motivate, commit and retain talents, which is an essential part of TMS. However, with their independent nature, freelancers

are not sensitive to it, making it hard for HR professionals to see how freelancers could be included and managed by regular TMS processes. Moreover, firms see no advantages for them in including freelancers, especially as the financial risks are high, and freelancers are short-term workers, volatile and seeking independence.

"If someone asks me what advantages I would have in integrating freelancers, in being more inclusive with them, I don't see what this would bring me? Nothing!" (HR1); "What are the risks and benefits of integrating freelancers better tomorrow, compared to today? Well, I don't see any, simply because it is not in my interest as a firm." (HR2)

Moreover, a couple of HR managers also showed a lack of interest in fostering more than a supplier-client relationship with freelancers.

"Frankly for me, HR, I don't care about keeping freelancers, I buy an expertise that I don't have in-house. I expect a customized service and that's it, I'm not looking to integrate it." (HR1)

#### Freelancer's current mindsets

All freelancers posit that there is a real lack of open-mindedness to the possibilities of inclusion of freelancers in organizations. Firms are not ready to see the full benefits of freelancers, firm's perspectives are quite limited to freelancers being simple "service providers", and the mentalities are not there yet. Most of the interviewed freelancers suggested that if firms started to think differently it could open opportunities for inclusion. In fact, two of the freelancers suggested that firms invest in system, and holistic thinking, which would in turn change their perception of freelancers and bring to light freelancer's true added values. Thinking differently would allow firms to optimize freelancers as they would any other resources.

"Companies are inclined to see us, freelancers, as just resources" (FR1); "They should really invest in system thinking. Like TMS doesn't stop at the boundary of your organization" (FR1); "People and firms are not open-minded enough [...]. Finances takes priority over holistic thinking for practical reasons - firms wants to remain afloat and survive" (FR4); "My biggest remark would be that we really need to change our attitudes and culture. From an organizational point of view, in that freelancers are good [...] and very beneficial" (FR1)

Freelancers highlighted various factors prohibiting their inclusion in TMS. One freelancer referred to older minds being inhibitors of changes. The interviewee stated that elder employees sitting in managerial and decision-making positions do not trust new generations thereby inhibiting new perspectives to take place. This freelancer also mentioned how strong institutional values can be responsible for inhibiting change. When corporate cultures are very protective of their employees and very focused on their internal resources, any external opportunity is at risk of being overlooked.

"So, what I would love is that people actually trust my generation, give them opportunities. So now I think are often all dinosaurs making still the decisions. And that is really inhibiting change" (FR1); "They have built their own, they have institutionalized culture, the norms, and values. And it's very difficult for foreigners or outsiders to come in that." (FR1)

#### Designing a flexible TMS as an opportunity

When asked about ideas on how freelancers could be included in TMS, both HR experts and freelancers suggested the design of a new and more flexible system that would remain part of TMS. This system would be an external extension of TMS and thereby accessible and

inclusive to freelancers. Two HR managers referred to the implementation of a platform where freelancers' expertise would be shared within a circle of firms, similarly the three other HR mentioned the idea of creating a special talent pool for freelancers or shared communities specifically for freelancers. They also proposed stronger systems of partnerships with freelancers or the creation of a new form of hybrid contract that would allow freelancers to be more included.

"to benefit from the talents of freelancers, it would be necessary to create a pool of talents to be shared in a community of companies. This sharing of resources, this bridge between companies seems to me necessary." (HR5); "It would be interesting if there was a community of freelancers, from which firms could go and "pick" expertise from it." (HR3); "if you have that kind of structure, so to speak, with a core group, and then around that some flexible specialists – freelancers - that you make compatible at different levels, depending on what you're doing." (FR1); "if they were to give us, freelancers, like a sort of hybrid contract between a fixed term contract and the dominant ones it would be nice" (FR2)

Two of the HR experts interviewed highlighted how interesting it would be to have freelancers accessible as a response to a highly fluctuating environment where talents come and go.

Freelancers would be used to respond to talent gaps for specific periods of time needed. Most HR experts also recognized that whether workers were freelancers or not, employment mobility remains high, and mentalities continue to evolve. As such, it would be beneficial to start thinking about including new emerging types of workers such as freelancers.

"Companies must be able to integrate into their processes and operating methods people who do not stay, whether they are employees or freelancers. This is the challenge of

tomorrow. There is less stability, the world is less stable. Companies have to deal with this already today." (HR3); "So that's what the gap in freelancing can be, it's that in the end it's more a question of what kind of skills we're looking for in the company." (HR4) On the one hand, it would also be highly beneficial for firms as they would have specific expertise readily available. On the other hand, creating a more flexible system would offer some stability to freelancers as they would know where to find jobs and projects. It would also respond to their problems of loneliness; shared communities would serve as a space for them to meet other freelancers and feel less alone.

"I would pull freelancers and let them come together also for their own benefits." (FR1) Also, when asked whether they wanted to be included in TMS, all freelancers said yes. However, some reported that only under the conditions that there is mutual respect, a clear purpose, and alignment with personal values. This is particularly interesting as some HR experts were unsure if freelancers would, in the first place, like to be included in TMS, and never asked them.

"Yes, definitely" (FR2); "Yes, if it is a company I like, if I like the industry and I want to be associated with them I would like to be further included in their talent pool" (FR3)

Various sectors and organizational structures are however prohibiting such system to come to life. An HR professional indicated that very pyramidal structures offer less agility for TMS to establish this type of flexible arrangements. Moreover, he also mentioned that including freelancing in competitive environment is highly unlikely. As such, this HR expert suggested that if freelancers' expertise were to be in fields such as corporate social responsibility (CSR) then freelancers would have a better chance of inclusion. Indeed, freelancers would be able to work for several competing organizations and firms would not have to fear the disclosure of sensitive information to the competitors. Another HR expert also pointed out that including

freelancers in TMS of public sector firms might be easier than in the private sector, as competition is much higher in the private sector. This HR expert endorsed that in sectors where employment mobility is higher a flexible system to include freelancers would be very interesting.

"If the freelancer does not intervene in the core business, then perhaps there would be more possibilities of intervention in partnership. Then the freelancer could work for several competing banks" (HR3); "companies who would thus have the capacity to become more agile and who would be able to integrate freelancers, because there would be less hierarchy and a less pyramidal structure (HR3)"

A couple of HR managers also emphasised the need to set certain pre-conditions before designing more flexible processes in TMS for freelancers. First, firms need to adopt new mindsets, recruitment processes must be reviewed, a shift towards more volatile talent management must happen and a focus on responding to workloads should be seen. They also suggested that firms start their freelancer's inclusion journey by undertaking smaller steps. Before fully including freelancers, which seems like a big stretch, one of the HR professionals suggested that freelancers could be included through more basic integration practices. Namely, being more included in meetings, seminars, being able to attends certain training programs, or simply being given a welcome kit and be well equipped.

"we can also make sure that he is in the team meetings, that he feels included in the seminars, the stands up, that he is present in the sharing of information, business, orientation, challenges... so he feels on board. That's the kind of integration that we need to do." (HR1)

### The contradictory nature of TMS and freelancing as a challenge

An overarching theme that emerges from the interviews was the contradictory nature of freelancing and TMS. On the one hand, freelancing means independence, freedom, and flexibility, whereas on the other hand, TMS mainly focuses on identifying, developing, and retaining talents. Moreover, TMS is an internal system within organizational boundaries, whereas freelancers are external workers, implying important legal and contractual challenges. As such, initial responses to the subject of freelancers' inclusion in TMS, from both freelancers and HR experts, were quite dubious.

"It would be completely incongruous." (HR1); "You go far, [...] to include them in talent management systems... It's a bit of a contradiction" (HR3) "To give these opportunities to a person who is not committed to in the long term... you lose your own resources" (HR4); "It's a question of point of view, firms are not ready to see the greater picture for the use of freelancers" (FR4)

#### The nature of Talent Management Systems

All HR experts explained that a TMS is primarily based on a given definition of "talent". According to the interviewees, a talent can be any employee with added value, for instance an employee that will bring extra soul into his job or shine through above his/her teammates. A "talent" can also refer to an employee with great leadership capabilities and a potentiality to develop and grow within a firm. Identifying employees with the potential to lead and evolve internally is crucial, as firms are always looking for future managers and dynamic employees to bring the company forward. In this sense a talent is an employee with a future in the company.

"What is important is that you have the power to lead your category" (HR2); "Talent also means future. Talent, we are addressing people, a population that has the capacity

to become a leader, [...]" (HR5); "A talent is a person who has a real potential to evolve in the company's structure" (HR3)

Some HR experts also refer to different categories or degrees of "talents". Meaning that all employees may be considered as "talents" but not all employees will have the same degree of abilities.

"There are three levels of talent: key people, young people [...], and experienced managers" (HR3)

The given definition of a "talent" defines the perspective of TMS that firms will implement, whether it will be inclusive, exclusive, or inclusive but exclusive – inclusive as all employees will be regarded as potential "talents", but also exclusive in the sense that "greater" talents will be identified and given more attention than others.

"We consider everyone a talent. However, there are talents that are more or less supported. The best ones will be better supported" (HR3)

The essence of TMS lies in people management and in knowing how to optimise human resources to best respond to a firm's needs and challenges.

"[...] you have to manage egos" (HR3)

In other words, TMS is about identifying, developing, and retaining the right talents for your organization. TMS analyzes which types of skills and abilities the firm needs, and then identifies corresponding talents. Tools such as competence and skill grids, people review, and 360° survey assignments are very often used as reference framework for identifying talents. Interestingly, talents can be detected internally and externally. As the goal of TMS is to best respond to organizational needs with human resources, firms may need specific skills that cannot be found

in house. Either because they are too expensive to develop or simply because the skills needed are very specific and only needed for a short period of time.

"What is the company's need [...], what are the champions in each category and how do you analyze them with this reference grid of skills, and then you match between the need and the current pool of talent" (HR5); "You have to know how to identify the soft skills or cross-cutting competencies that you want to develop" (HR5); "Talent management it's really about finding skills, even if not directly on site" (HR4)

Firms looks for talents in different ways. The main way is through talent pools, the closest and most direct talent pool of a company is its internal workforce, however talent pools can extend externally depending on an organization's strategies and needs. Partnerships with schools and universities, internships and study-work programs are other ways for firms to find talents.

"Managing a talent pool, to reconcile needs and resources" (HR5)

Retaining talents is also a major goal of TMS. Once a talent is identified, he will be offered the opportunity to grow, learn and develop further his/her talents within the company. However, there is no guarantee for firms that the talents they detect and invest in, will stay. As such, another crucial objective of TMS is to ensure that detected talents have the right opportunities to grow, stay motivated and engaged with the firm. Investing in talents is a long-term strategy.

"Talent management is retaining the best people, and how to retain them without always necessarily using leverage of compensation. You have to know how to feed them" (HR1) "They are indeed talent with high potential and salary is an important element to keep them" (HR2)

#### The nature of freelancing

When interviewed, all together, freelancers identified four main reasons for choosing to freelance; for the independence and autonomy it gave them; because it represents a good alternative source of income; for the ability to pursue one's interest and at last, for the challenge and excitement it procures. They also highlighted the diversity of projects and clients it allows them to have, as well as the great deal of freedom and flexibility to balance and plan their worklife schedule as they wish. This makes freelancers very volatile and independent in nature, thereby contradictory to the essence of TMS.

"To become independent" (FR1); "[...] we are fed by different experiences in different companies" (FR5); "[...] you can work with different types of clients" (FR4); "Freelance gives the freedom and flexibility to still work and accommodate your work life as you wish" (FR3).

Interestingly, freelancing was not a choice for all interviewees. For two of the five freelancers interviewed it was simply another option, sometime to avoid unemployment, rather than a real first choice.

"I didn't really like my job" (FR4); "Covid happened, and I didn't find a job so I work as a freelancer" (FR4); "the lockdown started and there was a lot of downtime at work so I thought I could make some money out of the time. That's why I started"(FR2)

Although freelancing can be empowering as it offers freedom and autonomy, it also places freelancers in a vulnerable position, especially in constantly changing environments and times of crisis. In fact, since they are not regular employees, they do not benefit from the same health insurance, financial stability, comforting teamwork, sick leave, or retirement advantages as regular employees do. Moreover, by their independent and volatile nature, freelancers have the

choice to leave an organization at any moment, just like firms can decide to stop working with them whenever they wish. A such, freelancers are always at risk of losing their job and projects. To ensure their financial stability on the long run, two of the five freelancers reported to have part time jobs. Two others stated that they ensure their financial stability by having a spouse with a regular job and a regular income.

"[...] I opted to have stability through my part time job. This way I can play the long game [...]" (FR1); "I have this possibility because my husband earns a good living, but if you are really on your own, it is much more difficult" (FR5); "I am lucky because I am married, and my husband is a regular employee, so with the crisis it offered stability" (FR4)

By essence freelancers work alone, and interestingly, freelancers highlighted the heaviness of being and working alone. They reported difficulties in being motivated, strong feelings of loneliness and longing to be part of a team. To deal with the loneliness and lack of teamwork some freelancers also establish strong partnerships with other freelancers.

"The biggest downfall is that you are on your own, and also, on your own sense you need to deal with the uncertainties that come by" (FR1); "It's difficult to motivate yourself when you're in freelance" (FR4); "I chose not to be alone in freelancing, [...], I work with privileged partners. [...] with this privileged partner we are both independent; he is in recruitment and I do coaching" (FR5)

#### The already complex collaboration as a challenge

Collaboration between freelancers and firms exists, however due to the volatile and external nature of freelancers, collaboration can quickly become complex. The findings reflect some shared interests in collaboration from both parties, but also a lack of willingness to make

compromises. On the one hand both freelancers and firms want transparency and trustworthiness. It is important for freelancers to be fully transparent with the firms as they hold the expertise that will be valuable and helpful for the firms. It is also crucial for firms to be as transparent as possible with freelancers regarding their processes and methods so that the freelancer can help them to the best of his/her capacities. On the other hand, neither parties are willing to take the risk to fully trust or be transparent with each other. This is true for the scope this study.

"What we also look for in external service providers is to have a true and transparent language [...], an external service provider has the duty to say things" (HR4); "You always give a bit of your knowledge, but not too much, because you need to be hired again" (FR1)

The findings also show that freelancers are treated by firms as simple service providers, and as a result, freelancers do not feel respected enough. This feeling of lack of respect is very uncomfortable for freelancers and can have negative impact on their collaboration with firms.

"If there's no respect you leave" (FR5); It's best when there are no judgements, that we are not treated as meaningless subcontractors, we need respect and partnership" (FR5); "For me, its respect. It's one of the most important things I need from my clients, because it's very difficult when you work with someone and he only sees you as a service provider. I don't like that feeling" (FR4)

However, when there is a real exchange, and an alignment of expectations established prior the collaboration, especially regarding transparency and trustworthiness, the output of the relationship can be beneficial for both parties. Indeed, most interviewees reported that when the intentions of both parties are concretely established beforehand, collaboration is much smoother.

"It was very interesting to work with them because we could talk, and I like to work with my clients when there is a real exchange between us" (FR4); "If freelancers are often called upon, there are a few rules to follow 1. Rights and duties, 2. Company culture, 3. Transparency and requirements for freelancer and for the team. This way the collaboration will be established in the best conditions." (HR5)

When working with freelancers and integrating them to internal teams, some tensions can arise with regular employees, as such it is crucial to set ground rules and ensure these rules are respected.

"Internally, you have to explain why the freelancer is there, it's not competition, but complementarity and even collaboration and cooperation around a project" (HR5)

## High risks of including freelancers in TMS as a challenge

Lastly, all HR professionals reported that including freelancers into TMS process was simply not possible as freelancers are external workers and TMS is an internal process. Legally and contractually the inclusion of freelancers in TMS poses a real challenge. Under certain laws (eg. French law) there is a risk that including freelancers in internal TMS may be considered as "disguised hiring". This would result in the re-classification of the freelancer's agreement with the firm to a permanent and regular employment contract.

"He does not depend on my collective agreement, nor my company and that is therefore not my responsibility" (HR1); "The risk, under French law, is that the freelance contract will be reclassified as a permanent contract" (HR5)It is not possible to objectify a freelancer, legally we only have a service relationship with them. We pay them to work for us, but there is no regular employment contract between us. Our freelancers are not integrated in our policy, they do not owe us anything" (HR1)

Including freelancers in TMS also represent a significant challenge financially speaking. Firms invest in talents and manage them through their TMS so that eventually firms will benefit from these talent's growth and make a return on their initial investment. However, freelancers are not meant to stay in firms on the long-term, also, they have the freedom to leave a firm at any moment. As such, investing in them comes with high financial stakes, a risk that not all firms are willing to take.

"Already in-house, it's a risk to invest in an employee who can leave at any time, with a freelancer it's really more difficult" (HR3)

Also, HR professionals highlighted how risky it would be to invest in freelancers in competitive environment. When firms are competing against each other, investing in resources that are likely to move from one firm to the other is very risky as confidential knowledge can be spilled over.

"When you detect a talent, you invest a lot of time, money, and training; but if you invest and train a freelancer so that he can sell his skills elsewhere, that bothers me. And this will bother many companies who will really hesitate to bet on such a person. It will be complicated." (HR3)

#### **Discussion**

This study investigated the opportunities and challenges of including freelancers in TMS given a changing environment. Five HR professionals and five freelancers were interviewed, in order to obtain data from both firms and freelancers' point of view. Overall, the findings suggest that including freelancers in TMS is highly challenging for firms and unlikely to occur as of now. However, given the fluctuation in the business environment most of the HR professionals believed that including freelancers is not impossible in the future, moreover, freelancers seem to be ready and willing to be included in TMS. In accordance with Claus (2019) and Lyons et al.

(2017), most interviewed HR experts underlined that in the light of a changing business environment, and its subsequent challenges for TMS, there will be a real need to reinvent TMSs. On the one hand, TMS will need to be more flexible and able to adapt to a more volatile and rapidly changing business environment (Claus, 2019). On the other hand, freelancers grow in volatile environments but are also in need of security in changing environments (Barlage et al., 2019). In accordance with the initial argument of this paper, this represents a great opportunity for including freelancers in TMS, as they would offer the agility and flexibility needed by organizations to address the changing environment. In turn, firms could provide some stability for freelancers, thereby creating a win-win situation for both parties. However, the current workplace mentalities, the high financial and legal stakes that investing in freelancers represents, the contradictory nature of freelancing and TMS, along with the competitive essence of the business environment, impedes the inclusion of freelancers in TMS.

This study contributes to theory by participating in the growing reflexion behind the management of tomorrow's workforce. Concretely, the contribution adds to the current literature by presenting various opportunities and challenges regarding the inclusion of freelancers in TMS. Extensive literature on freelancers, on freelancer's benefits for firms (Burke & Cowling, 2019; Barlage et al., 2019), on TMS (Iles et al., 2010; Meyers, 2016) and on the changing environment (Lawler, 2017) exists, however literature on the inclusion of freelancers in TMS given a changing business environment has not yet been investigated. Particularly, this contribution is essential as the number of freelancers in the business environment is increasing exponentially (Nye & Jenkins, 2016) and mentalities of emerging employees in the workplace are evolving (Clapon, 2016). As one of the HR experts pointed out, firms will have to adapt and think about including nonstandard workers in their processes, because what if tomorrow's

business world is made solely of freelancers and of employees with no will to stay long-term in organizations, what will firms do then? In this regard, the contribution of this study is crucial as firms will need to cope with the changing business environment, and for that, will need to understand and measure the various opportunities and challenges of including freelancers in TMS. Knowing the various inhibiting and facilitating factors of freelancers' inclusion in TMS can also serve as ground basis for the inclusion of other nonstandard workers like freelancers.

Although working with freelancers is advantageous for firms, including them in internal processes is challenging, as freelancers and TMS are contradictory in nature and as including external workers in internal processes represents high legal risks for firms. Theoretically, Burke (2012) argued that freelancers represent an interesting solution for firms to remain competitive in a fast-changing business environment. Especially as freelancers enable organizations to be more innovative, flexible, and able to manage entrepreneurial risks (Burke & Cowling, 2015). In practice, HR managers explained that indeed, these are the main reasons for their collaborations with freelancers, however, including freelancers in TMS and thereby considering them as actual "talents", is something different and much more complicated than simply collaborating. TMS consists of internal processes meant for employees considered as talents and who are willing to grow and develop their talents internally, and a freelancer does not correspond to such criteria. Indeed, freelancers are nonstandard workers who hold temporary positions in firms (Cascio & Boudreau, 2017) and who most often are bound by law to have multiple clients in order to be able to freelance (Business.gov.nl, n.d.; Eurojuris France, 2018).

Moreover, as explained by one of the HR professionals, including external workers in internal processes exposes firms to the risk of being penalized by the law for "disguised hiring or employment". According to the International Labour Organization (n.d.), disguised employment

"leads an appearance that is different from the underlying reality, with the intention of nullifying or attenuating the protection afforded to workers by law." The International Labour Organization (n.d.) explains that in the majority of legal systems exists a binary divide between employment and self-employment, which serves as basis for labour regulations. However, Kansikas (2007) and O'Connor (2020) demonstrate that there can exist a legal "grey-area" between the two, where temporary workers and entrepreneurs who work under a contract that is different from a regular contract of employment, can be forced by employers in reducing their costs. As the protection of this continuously growing types of workers is not yet well guaranteed in most legal systems, firms can be forced to re-classify these contracts into permanent contracts (O'Connor, 2020). As such, in accordance with the findings two of the biggest challenges preventing the inclusion of freelancers in TMS is their contradicting nature and the legal challenge it represents for firms.

However, if an external TMS structure would be built around the original, core, TMS, to support more flexible types of workers, than including freelancers would be possible.

Interestingly, a couple of HR professionals could perceive an opportunity for freelancers to be included through the design and implementation of talent pools of freelancers, shared knowledge platforms, new hybrid contracts and stronger partnerships. These structures could be built as an extension to the core TMS implemented internally and offer organizations the flexibility and agility they need to face a fast-changing environment (Lawler, 2017). This is in accordance with the argument of Lyons et al. (2017) who posit that firms must be agile in order to succeed in fast paste changing environment. For that, they argue that expanding organizational workforce towards a more agile one is key. Designing an extension of current TMS also resonates with Claus's (2019) suggestion that it is time to reinvent TMS to better meet workers needs and

address fluctuating climates. An external TMS structure attached to the core one would allow an external workforce to be considered as a source of potential "talent" and stand under the remit of TMS, thereby offering a response to McKweon and Pichault (2020) who challenged the fact that the external workforce is largely ignored in talent management theory and practice.

Evidence for a changing environment and subsequent challenges for TMS was brought forward by various scholars and supported in practice by all HR experts interviewed (Lawler, 2017; Rojewski & Lasonen, 2004; Kim et al. 2020). Moreover, in line with the OECD's (2009) policy brief and Lawler's (2017) findings, HR experts highlighted changes such as high employment mobility, and higher competition for talents. These changes imply talent shortages, lower employee retention rates, decreased employee loyalty, and a need for greater flexibility, faster adaptation, and innovative talent recruitment practices. In the light of these challenges, being able to include freelancers in TMS could make a real difference in ensuring organizations' competitive advantage. On the one hand, TMS's goal is to optimize available human resources and with it, best respond to organizational needs and challenges (Ansar & Baloch, 2018). On the other hand, the number of freelancers in the EU is increasing and thereby representing a growing resource to be utilized (Nye & Jenkins, 2016), and evidence shows that they have much to offer firms with regards to adapting to changes (Burke, 2012; Burke and Cowling, 2019). Freelancers are also independent professionals selling a particular expertise for a determined amount of time (van den Born & van Witteloostuijn, 2013), meaning that firms could call upon them to fill in for talent shortages. Including freelancers in TMS would permit firms to have readily available expertise and knowledgeable workers to utilize as a resource for flexible and agile response to high employment mobility. All in all, this implies that a changing environment and its

subsequent challenges open up an opportunity for freelancers to be more included in TMS and for firms to pay attention to their true value.

Interestingly, the lower retention rates and decreased loyalty suggest the emergence of new mindsets and profiles in the labour market. HR experts revealed that indeed, young people arrive in the workplace with new sets of mentalities and expectations forcing firms to rethink the way they design and implement TMS. Compared with the HR and freelancers interviewed, who are either millennials or belonging to generation X (Scholz & Rennig, 2019), Schroth (2019) reviewed the emerging characteristics and aspirations of the post-millennial generation (Gen Z) now arriving on the labour market. She argues that firms will, indeed, have to adjust their processes to fit the new emerging mentalities of this generation, as their expectations of work and the workplace differs from those of previous generations. As such, whether they are freelancers, or regular employees with no desire to stay long-term in a particular firm, TMS will need to adapt and learn to better integrate and attend these new types of employees. This again resonates with Claus's (2019) argument, that, in order for firms to better cope with these emerging worker's expectations, it is time to review TMS. In any case, in time, with or without the growth of freelancers, TMS will have to be more flexible and adapt to a more volatile business environment (Lawler, 2017). Especially as new entrants in the workplace seek greater flexibility and increasingly reject corporate jobs where they feel overworked and trapped (Clapon, 2016).

However, including volatile workers such as freelancers in TMS would require firms to fully shift their mindsets and consider freelancers as actual "talents" to be included in a system of talents. This is in accordance with Burke (2012), who argues that freelancers are great sources of added value and should be viewed as "talent" to utilize. This would however imply that, in turn,

firm adopt an inclusive perspective on their TMS processes. Similarly, it would requires freelancers to re-think the extent of their independence and freedom. Findings suggest however, a misalignment of current mentalities. On the one hand freelancers are ready for firms to see them as more than service providers, on the other hand, firms, for practical reasons, are not yet ready for such a shift in mentality. The interviewed HR explained that firms already collaborate with freelancers so that they benefit from a particular expertise whenever they need it. However, as of today, firms will not adopt a holistic way of thinking about including and investing in a resource as volatile as freelancers.

Although there is a possibility that mentalities will evolve, including freelancers in TMS remains legally and financially risky. Indeed, to remain competitive, firms must be able to keep the expertise in and optimize it (Jensen et al., 2010), but both the findings and the literature clearly shows that freelancers are independent and volatile (Barlage et al., 2019). Meaning that firms would need to be ready to bet and invest in workers that will, for certain, work for different companies (i.e., as they are required by the law to have different clients). The nature of this risk can be explained by the employability paradox, whereby firms could benefit from higher performance and greater agility by investing in a talent like a freelancer, however, firms would also be at risk of losing highly employable talents to competitors (Rodrigues et al., 2020). As freelancers work for different clients, the risks is accentuated as firms are also at risk of having freelancers disclose confidential information. Most often, to control the use and disclosure of sensitive information, firms impose non-disclosure agreements to volatile workers like freelancers (Fahner, 2018). However, the debate around the enforceability of such agreements is highly debated (Reid, 2013; Sharma & Srivastav, 2020). Interestingly, Rodrigues et al. (2020) demonstrated that when firms signal to their employees that they care about their development

and that employees are responsive to this signal, firms' investment in their employees' development increases organizational commitment and retention. However, this is true for internal and standard employees. If firms were to take such risk and invest in freelancers by including them in TMS, they would need to ensure a way to optimize and benefit from their investment. Designing external structures around the core TMS of a firm or establishing a stronger network of partnerships with freelancers could be ways to ensure return on investment.

Another interesting discussion point is that contrary to expectations from the literature, technology was not mentioned nor referred to in the discussion of freelancers' inclusion in TMS. According to Lawler (2017), technology is an important factor of changes for the business environment and is transforming today's workplace. However, in the light of freelancers' inclusion in TMS, none of the participants made any references to it. This may be due to the fact that although technology has given rise to the gig economy and has supported the development of temporary and nonstandard workers (Barlage et al., 2019), when focusing on inclusion, technology is not the first factor that comes to mind. Challenges regarding the protection of new emerging types of workers has been outlined in the literature, however focusing on legal protection and representation rather than on inclusion (Eurofond, 2020; Howard, 2017).

## **Managerial Implications**

This contribution also implies various managerial implications for firms to consider. First of all, the findings shows that corporate culture and organizational structure can play a significant role in mediating the inclusion of freelancers in TMS. HR experts highlighted that when firms are strictly structured around a tight hierarchy or protective policies for internal employees, inclusion of freelancers was almost unimaginable, as it would require great flexibility. Similarly with the corporate culture, if firms promote and foster a climate of

inclusivity, diversity, and flexibility, including freelancers in TMS might be much more conceivable and accepted. This is supported and explained by Brady (2011), who explored the relationship between freelancers and corporate culture styles and argued that, including non-standard workers was much more likely when corporate cultures are based on inclusivity, compared to firms where inclusivity is not at the core of corporate culture.

Secondly, firms must beware of specific processes that may indirectly block the inclusion of freelancers. For instance, the findings suggested that recruitment and talent detection practices (i.e., use of detection tools and talent pools) could be implemented in ways that would indirectly exclude if not prohibit the inclusion of nonstandard workers like freelancers. Thirdly, firms must ensure that the distinction is made clear between working with, and hiring freelancers, versus including them in TMS, an internal organizational process. Working with freelancers is an increasing practice and that, despite relationships being complex. However, inclusion requires contractual, legal, and financial considerations representing a real additional challenge for firms.

A fourth and major managerial implication regards the design and implementation of flexible TMS structure, capable of supporting external workers like freelancers. Whether it is the implementation of a pool of freelancers, the design of stronger partnerships and hybrid contracts, the implementation of an external system attached to the core TMS, firms must think of the different implications it represents for the existing TMS, and also review the way they approach TMS and how they define "talent". This would in turn address McKeown and Pichault's (2020) pertinent remark that the external workforce was largely ignored in talent management theory and practice. At last, firms could as a starting point focus on smaller inclusive steps, such as including freelancers in meetings, seminars, or training, and on ameliorating the current collaboration and relationship with freelancers.

## **Limitations and Future Research Directions**

Although this study contributed to the current body of literature, some limitations should be highlighted, and future research directions discussed. First, this study includes in depth data almost solely from French participants. Firstly, all interviewees were French except for two, one Dutch and one South African. However, the cultural dimension of this study was not discussed, and further research of different cultural approaches on the inclusion of freelancers could be undertaken to add to this initial contribution. Indeed, some countries could be facing less challenges, be more open-minded or could have more readily accessible and advanced TMS structures for freelancers. For instance, Hernandez-Mogollon et al. (2010) found that cultural barriers relate to open-mindedness of organizations, in turn influencing the adoption of new organizational configurations. Based on Hernandez-Mogollon et al.'s (2010) contribution it would be interesting to explore and contrast with this contribution, the opportunities, and challenges of including freelancers in TMS from the perspective of a culture characterized as much more open-minded and highly inclusive. This would provide a more in depth and complete understanding of the factors inhibiting and facilitating inclusion in different contexts. Such additions should be considered, and the overall cultural aspects of this study could serve as ground basis for further research.

The sample of this study was also relatively small, compromised of only 10 participants thereby limiting the variety and generalization of the findings. Future research could examine the challenges and opportunities of inclusion of freelancers using a larger sample to obtain more diverse and dynamic perspectives, and better explore a larger sample of individuals' opinions on the subject.

Secondly, this study does not make a distinction between the various types of freelancers. In fact, freelancers have different levels of expertise, also, one could either be working online, remotely, at the office, carry over a hundred small missions online over a month through a digital platform, or undertake larger projects through physical partnerships with firms (Margaryan et al., 2020; Alvarez de la Vega et al., 2021). For instance, Burke and Cowling (2019), showed through sales growth that there was a difference in performance for firms who engaged with different types of freelancers. They found that low-skilled freelancers were associated with greater sales growth than managerial freelancers, and that engaging with freelancers at director level was associated with the largest sale growth. As such future research could explore more in depth the relationship of different types of freelancers with firms, the extent to which their collaboration differs and the opportunities and challenges of including them in TMS.

Thirdly, although both freelancers and firms where interviewed, this study leans more heavily towards the challenges and opportunities for firms rather than for freelancers. The results and discussion touches upon the mutual benefits of inclusion but does not go into further depth. As such, future research could investigate to a greater extent the challenges and opportunities of inclusion in TMS from a freelancers' perspective. At last, this study proposes various options for potential inclusion for freelancers in TMS, namely talent pools of freelancers, hybrid contracts, and stronger partnerships. However, further research should be carried out to explore the legal and financial feasibility as well as the practicalities of designing and implementing these new proposed structures.

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