The change in relationships between companies and executives that Charles Handy already predicted in the 1960s has come to pass. We are witnessing, and not just in Spain, a radical transformation in the world of work. A transformation which, although it shares certain common elements in its application in different countries, reveals country-specific components in each one.
There has been a huge destruction of employment during the crisis. Destruction that, in addition to and unlike in other times, also affected executive positions.

Even though this transformation was strongly influenced and accelerated by the economic situation, it was not exclusively linked to this crisis. Even successful companies also had to slim down their permanent workforce and structural talent. It is a transformation rooted in an evolutionary process.

Increasingly, work and the professional career will differ from what we have known thus far. Companies will still require talent, trained and committed professionals, but no longer on a permanent basis. And this, in particular for the less young, will not dovetail easily and is set to leave a very deep imprint on the career of many professionals.

There is an increasing influx of well-prepared people in the job market at a time when opportunities are being appreciably reduced. Accordingly, job-seekers will have to be far more proactive than before. And, elsewhere, for people who are now entering the job market, it will be very important to plan their career well.

**The flexible layer**

In countries with a more developed labour market than in Spain, we are seeing that companies are organizing themselves into a fixed core around which one or more flexible layers are added.

The fixed core comprises people who are dedicated to managing the businesses and main activities of the company. They engage in the day-to-day tasks and they grow the business organically.

New business activities or other activities that do not fit in with the day-to-day tasks and/or organic growth, are managed by companies and/or professionals of the so-called flexible layers, in pure and simple project management practice. Once the projects have concluded, the agreed collaboration ends. If there is continuity in the relationship, it will be based on a new agreement for a new project.
Flexible layers are structured, in what we can call internal layers and external layers, depending on the continuity in the assignment of projects. Very large companies have both types of layers. The smaller ones usually only have an external flexible layer.

The inner layer comprises employees who are sent from one project to another. The external layer is made up of freelancers and/or contractors who collaborate with the contracting organization until completion of the project in question.

In many cases, when it comes to assignments of relevance, freelancers may occupy significant positions. In such cases, they also have access to and work with very confidential information. They usually spend a while at one company before moving on to another company. Some of them already have some 4 or 5 fixed clients with whom they rotate over the years.

Many companies’ approach to talent is changing. It is more important to know where to recruit talent quickly when needed, than to have it continuously present in the organization. In this way, you can have people with the specific profile that the situation requires. Furthermore, some companies are starting to have trusted freelance groups.

We could say that freelancers are the pioneers of the network economy. Companies create networks of professionals around themselves. These professionals can maintain a relationship among themselves that can also extend to connect with other companies.
In the USA, most multimedia production in New York is done by freelancers. A further example is Silicon Valley, where 15-30% of professionals are freelance. In both cases they are highly trained professionals.

There are many examples, in Spain also, of companies that are overcoming current difficulties by working under this philosophy.

Generally speaking, when the economy went into a bearish spiral, they reacted quickly, dispensing with their flexible layers and adjusting their operating costs. This allows businesses to maintain their optimum operational level without too many difficulties.

This way of making the work of executives and professionals more flexible, helps companies react more adequately to events.

We can summarize the following reasons behind the flexibility of the work of highly qualified executives and professionals:
1. Increase of what Ansoff calls environmental turbulence. (Ansoff turbulence matrix).
2. Transaction cost.
3. Planning considerations for employees needed.

1. Environmental turbulence

Companies are currently facing a globalization that is increasing what is called environmental turbulence. (According to the Ansoff matrix).

Globalisation: If Turbulence in the environment increases

Ansoff’s Turbulence Matrix

<table>
<thead>
<tr>
<th>Environmental turbulence</th>
<th>Repetitive</th>
<th>Expanding</th>
<th>Changing</th>
<th>Discontinuous</th>
<th>Discontinuous Expanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changing</td>
<td>Discontinuous Expanding</td>
<td>Increasing quickly</td>
<td>Planned discontinuous</td>
<td>Unplanned discontinuous</td>
<td></td>
</tr>
</tbody>
</table>

Strategic Aggressiveness

| Strategic Aggressiveness | Stable based on history | Increasing based on experience | Increasing based on extrapolation | Discontinuous based on perceived opportunities | Discontinuous based on creativity |
|--------------------------|-------------------------|--------------------------------|----------------------------------|-----------------------------------------------|---------------------------------
| Stable                   | Reactive                | Proactive                       | Entrepreneurial                   | Creative                                      |

Management Responsiveness

<table>
<thead>
<tr>
<th>Management Responsiveness</th>
<th>Seeking Stability</th>
<th>Efficiency Driven</th>
<th>Market driven</th>
<th>Environment driven</th>
<th>Environment creating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reject change</td>
<td>Adapt to change</td>
<td>Look for changes that are comfortable</td>
<td>Look for changes related to the current situation</td>
<td>Look for unknown changes</td>
<td></td>
</tr>
</tbody>
</table>

Turbulence Level

<table>
<thead>
<tr>
<th>Turbulence Level</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
</table>

The increase of environmental turbulence forces companies to think about structure and governability. According to Ansoff, Europe is shifting from phase 3 to phase 4. Flexibility is ever more necessary with increasing turbulence. The flexible layer is an important subject for Human Resources. Strategic!
We are in the changeover from the “Change to Discontinuous” phase. The environment is becoming more complicated and the needs for talent are changing. Faced with this phase change, companies are becoming more and more organized according to what the market needs. It is moving from clear hierarchies to groups created to respond to market demands. The adaptation to these has to be very fast and with the lowest possible cost.

2. Transaction costs

Transaction costs are a very important factor. We are talking about costs in time and money. These costs can be classified into three types: ex ante costs, agreement cost and ex-post cost.

The importance of transaction costs
- Search for customers and partners
- Interaction, information, advice
- Meetings, negotiations
- Bids, prepare contracts
- Agreements
- Coordinate, monitor, confirm
- Control, register
- Report
- Disagreement, litigation
- End relationship

The role of freelance and Internet in reducing transaction costs
- ‘Ex ante’
  Costs of transaction
- Agreement
- ‘Ex post’
  Costs of transaction

The cost of hiring freelancers, both in time and in money, is much lower than that of a full-time employee. The cost of finding, negotiating, formalizing, maintaining, managing and terminating the collaboration is, for a freelancer, a fraction of what it is for a permanent executive. And in such changing environments as the current and future ones, there is an increasing need for different professionals. And, if you want to remain competitive, that change must be carried out with the lowest cost in terms of time and money.
3. Planning considerations

The planning of the workforce that is going to be needed becomes more complex and relevant. In planning the workforce, two variables must be considered: the uniqueness of human capital and its value to the organization. According to the degree of importance of these variables and the combination point of both, the type of recruitment varies.

Figure 4

Considering the different combinations in the matrix, we can conclude that companies will increasingly need professionals in the “flexible layers” and less and less in the stable core of the organization.

In regions like Benelux, the development of freelance is moving very quickly. At the moment, it accounts for 21-22% of executives and professionals and it is expected that before the end of this decade it will reach 28-30%.

There are no figures on Spain, but the trend is clear and it is moving forward.

In order to remain competitive in this new economic context, companies need to focus on their key activities. Which implies that they have to define what is really important and create the most efficient organization possible.
Anything that departs from the issues that enter into this very narrow focus will be managed by projects responsible for “flexible layers”, whether internal or external and, in this case, the external layers and if they are Executives, will be freelance.

4. Conclusion

Companies are increasingly looking for flexibility in their management positions. Freelancers are becoming increasingly important to these companies. This flexibility is valid for effective and efficient navigation both in calm waters and in turbulent situations. Freelancers are, increasingly, the oil that lubricates the engine of the economy.

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