

Managing Human Talent in Coworking Spaces:

Industry Overview of Study
on HR Sourcing Techniques



A SHORT INTRODUCTION:

Coworking spaces have long been associated with individual workers. These workplaces are known for their talent, for the development of specialised networks, and for the mutual support they provide to users to foster their professional growth. Nevertheless, talent sourcing mechanisms that would attract, develop, and utilise the skills of highly-skilled knowledge workers in coworking spaces have not been well explored to this date.

The following industry report presents a summary of a research that has explored the management of human talent in coworking environments. This study was conducted in the Fall of 2019 by interviewing operating managers from 20 of the most frequented coworking spaces in the Visegrád region. The goals of this research have been to: a) identify the factors which attract highly-skilled workers in a selected coworking setting; and b) understand the differences between mediated and non-mediated mechanisms that are used to connect these workers into networks.

Insights from this study will be especially useful for coworking space managers who will be able to gain insight into the structure of the ecosystem behind the coworking model, as well as the talent sourcing techniques which support that ecosystem. Likewise, policymakers will be able to recognise the importance of having coworking spaces in their local environments, and possibly enact policy mechanisms to support their growth and further development. Finally, potential future users will gain an understanding about the positive impact that using a local coworking space can have on their career development and personal lives.

THE IMPORTANCE OF UNDERSTANDING TALENT SOURCING IN THE CONTEXT OF COWORKING SPACES:

Coworking spaces are shared and flexible office environments where individuals can meet, socialise, and work. Early coworking spaces were primarily frequented by self-employed individuals who sought a place to escape the social isolation of their homes and make connections with other users who work on an individual basis. As a result of coworking spaces being designed as open-plan office spaces, these flexible work environments enable their users to spontaneously socialise, work alongside each other, and possibly collaborate over projects of mutual interest.

Over the past decade or so, the number of coworking spaces began growing at a swift pace. While the first coworking spaces were mainly used by self-employed and freelancing individuals, in recent years we have seen greater level of interest from SMEs and corporations who have started to sign up their employees, either individually or in teams, to become regular users of a local coworking space. Some reasons for this trend include the affordability and flexibility of memberships, the versatility of the workspaces available, and the enhanced creativity and collaboration which often results between team members, as well as with other individuals who are in the coworking space.

The popularisation of coworking environments has led to the concentration of highly-skilled individuals in one place. Larger corporate players, such as IBM and Google, began to take notice and started searching for talent within these coworking settings through the sponsorship of various networking and knowledge-sharing events. The pre-Covid-19 era of rapid economic growth spurred a demand for workers with various specialised skills, ushering in an era known as the “open talent economy.” This term - originally coined by Deloitte - refers to a marketplace for highly skilled individuals whose capabilities can be applied to a specific project or work run.

When considering human resource management in the context of an open talent economy, it is important to understand that various skillsets appear in dissimilar settings and within different networks. This has resulted in a shift from organisations having direct access to talent within their internal workforce to having to seek talent “on-demand” in different settings such as coworking spaces. Therefore, this study explored managerial practices and mediation techniques by presenting empirical evidence and analysing talent attraction and retention mechanisms that are frequently used in coworking environments. The main findings are summarised in the following section.



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HUMAN TALENT CYCLE

IN COWORKING ENVIRONMENTS:

For the purpose of the study, we selected a sample of diverse coworking spaces in four Visegrád region countries - Czech Republic, Poland, Slovakia and Hungary. The sampled coworking environments vary in size and ownership, ranging from independent operations to locations owned by a corporate entity. Data collection took place in two separate stages. First, the team of scholars analysed the existing literature on the subject of talent sourcing in flexible workspaces and collaborative workspaces such as coworking environments. Second, the participating scholars interviewed selected managers on the topic of human resource management.

The objectives of this research were:

- 1. To understand how top talent is identified by coworking spaces;**
- 2. To determine how coworking spaces brand themselves to attract a specific type of talent;**
- 3. To learn how coworking spaces build the capacity to map skills of talented individuals;**
- 4. To compare the mechanisms and tools which coworking spaces can use to attract and retain highly-skilled individuals;**
- 5. To assess how coworking environments can benefit from being identified as talent pools.**

The collected and analysed data has resulted in several findings. First, coworking spaces generally have a strategical framework geared toward creating a tightly knit community of members. Various tools are being used to support the interaction between individuals, and to promote a set of values with which members can identify and form a community bond. The interviews which researchers conducted also disclosed that coworking spaces oftentimes perceive themselves as initiators

and accelerators of entrepreneurial movements and broader business-orientated communities. However, while most coworking spaces will encourage the personal growth of their members and advocate collaboration between them, they won't necessarily focus on business growth and expansion. Maintaining a positive atmosphere and promoting the well-being of participants are the key elements of a strong and supportive coworking community. When these elements are present, they generally result in the coworking space retaining individual users.

Second, conducted interviews revealed that a space's brand identity is essential to positioning a coworking environment within the market, and to building out its capacity to attract talented individuals. Brand identity is built through the physical space, as well as through the members of the coworking community. Individuals can identify with the design of the space or its position (e.g., in the specific area of the city, a selected region within the country, etc.). With that in mind, it is important that future coworking space managers strategically plan the positioning of their workspace, carefully design it, and regularly maintain the space itself once it has been launched.

Third, some coworking space managers may consciously select individuals and teams to help them position themselves in the local talent market. When individual joins a space as a member, he or she is screened for specific skills. This screening process enables coworking space managers to establish a connection between workspace users which may result in collaborative efforts or business growth.

Fourth, when a specific talent is identified with an individual joining a selected coworking environment, the coworking space can use a specialised set of mechanisms to develop and retain the individual as a member for a limited or unlimited time period. These mechanisms enable managers to recognise members' needs, and to fulfil them on an ongoing basis to maintain their satisfaction. Some of these mechanisms are community-oriented events in which members can informally interact and build meaningful relationships, while others can take the form of more specialised group sessions.

Finally, one of the main outcomes of the study has been the development of a human talent cycle model that visually explains the logic behind the attraction, development, and utilisation of talent within a coworking environment:



Source: Orel et al. (2020)

As mentioned above, constructing a strong brand identity is a prerequisite for a selected coworking environment to become a talent hub. Branding not only attracts highly-skilled knowledge workers to the space, but also contributes towards their retention as members of the community. The elements of talent attraction, selection, retention, and development are interdependent and function on a cyclical basis. Once a coworking space successfully attracts and selects talented individuals, it uses a set of mechanisms to develop the talent and various approaches to retain them within the coworking space for a longer period of time. The talent can then be extracted, with a selected coworking space member being outsourced by an external organisation. This human talent cycle model can be widely used and adapted by coworking space managers to attract and retain highly-skilled members, and subsequently establish a talent pool that creates an added value for the local labour market.



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CONCLUSION AND IMPLICATIONS **FOR FURTHER RESEARCH:**

Recent developments around the pandemic and related challenges which have arisen during 2020 suggest that talent mechanisms and sourcing techniques in physical coworking environments will need to be adapted and restructured. First, with the need for social distancing, the usage of coworking spaces will drop in the short run, meaning that fewer individuals will use them on a regular basis and attend organised events onsite. Second, in the absence of effective community management, the ties between coworking space members will loosen, with communities moving online and becoming weaker. Third, the open talent economy will be significantly disrupted, with labour markets having less need for some skill-sets and talents than might have been needed prior to the pandemic.

On the other hand, business will restructure their operations, creating an increased demand for some highly specialised workers such as technicians, programmers, and telemarketers. With that in mind, coworking spaces will need to adapt and enhance their online presence. Some mechanisms such as direct mediation will need to be modified to connect on-site members with those who will be working from home. A digital counterpart of a physical environment - also known as virtual coworking - might be one of the solutions to be explored.

Despite recent events, the global economy will recover, as it has many times throughout recent history, and the need for talent will rise once again. It is up to coworking spaces and their managers to adapt, and to re-emerge as talent pools that will have the capacity to reignite local economies and rebuild society.

References

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