



the rise of the agile workforce.

propel business readiness and future-proof how work gets done

how are you redefining work to optimize workforce productivity?

With three-quarters (75%) of human capital and C-suite leaders embracing the idea that the right talent for any job may be a permanent or contingent worker, our 2021 [Talent Trends](#) research — which surveyed 850 talent leaders across 17 markets globally — shows companies are moving away from traditional workforce models.

Increasingly, employers are redefining work and jobs to optimize talent utilization. As many organizations look to accelerate their recovery efforts in the months and years ahead, and further distance themselves from the competition, this holistic mindset promises to transform talent effectiveness.

The pandemic didn't start holistic thinking about talent, but it certainly accelerated the movement. As organizations quickly reassessed their talent strategies at the outset of the global economic downturn, many also realized opportunity from the adversity, affirming Winston Churchill's famous words: "Never let a good crisis go to waste."

As a result, companies across the world have adapted to the challenges brought about by the pandemic. Deploying millions of remote workers was an immediate way to contend with the challenging situation, but this was simply the first step in ensuring business continuity. Facing uncertainty and strict mandates to minimize fixed human capital costs, many employers turned to contingent talent where possible, while also making strategic hires that bolstered their workforce for the long term.



Mike Smith
global CEO
Randstad Sourceright

As the use of flexible talent continues to accelerate, this movement is causing organizations to take a closer look at how they resource for work. Even before the pandemic, forward-thinking businesses were considering how to elevate their talent strategies through an optimized blend of permanent and flexible workers.

Encouraged by how well they've adapted to uncertainties and new ways of working, many companies now realize comprehensive change is possible, even during a crisis. By redefining work, and deploying the precise kind of talent that is needed, human capital leaders have helped organizations position themselves well for the global recovery.

In Randstad Sourceright's 2021 [Talent Trends](#) research, 77% of C-suite and human capital leaders say their talent strategy is now more focused on workforce agility than ever before, with 56% expecting to shift more of their roles to contingent, project or contract work. This indicates a clear move toward a more flexible approach to talent, while still maintaining key expertise and skills within the permanent workforce. Striking such a balance is the key to a more agile workforce.

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The challenge, however, is to strategically map out how this can happen organizationally. What is the optimal mix of permanent and contingent talent? How do business leaders determine which kind of work arrangements should be used for each task or function? What is needed to shift ingrained thinking to effect change? What does success look like after such a transformation?

These are all difficult questions, and the answers will vary from organization to organization. Adding complexity, the kind of bold, transformational changes that will give companies a competitive advantage will surely require effort and resources — both of which remain scarce after a year of economic disruption. Depending on the market and sector, some companies are just now seeing business activity reach close to pre-pandemic levels, so budgeting for workforce transformation in the near future may be a reach.

But for businesses that can take advantage of this opportunity to transform, there is no better time. The forces that have gathered momentum in recent years have brought the labor market to an inflection point. Those that have followed and anticipated these big trends are best positioned to win over quality talent and gain a competitive advantage.

To understand how your business can prepare for the changes ahead, read on to consider the developments that have unfolded in recent years, and how the most innovative talent leaders are driving transformation and greater business agility at their organizations.

Mike Smith
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contents.



harness the
new age
of contingent talent.

(05)



build a
sustainable workforce
through flexibility.

(09)



redefining work is
a total talent shift.

(12)



will talent technology
be your driver or
your downfall?

(15)



talent analytics
create the clarity
needed for agility.

(18)



harness the new age of contingent talent.

Even before the pandemic arrived, the global contingent workforce was expanding, some segments faster than others. The growth of the human cloud, independent contractors and statement of work (SOW) talent have all led to organizations rethinking how they get work done to add greater agility in the workplace.

According to [Staffing Industry Analysts \(SIA\)](#), the global contingent talent market encompassing all non-permanent workers was valued at \$4.7 trillion in 2019, the latest year for which data is available. This figure was up from \$4.5 trillion the year before, and while it was expected to decline last year, there are strong signs that sectors such as IT and healthcare are ready for strong growth in the year ahead.

When the outbreak first occurred, demand for contingent talent fell drastically. By the third quarter of 2020, however, companies were acquiring temporary talent to supplement workforce needs again. According to Richard Wahlquist, the president and CEO of the [American Staffing Association](#), demand for flexible labor is markedly higher in 2021 as a result of the pandemic. In fact, he believes contingent workforce trends will continue to rise as companies place a "higher premium on the need for more flexible and inclusive workforce solutions."

Demand for non-permanent talent has risen as companies faced uncertainty and C-suite leaders froze talent acquisition early on in the pandemic. With economies improving rapidly, however, hiring is not occurring fast enough. [March 2021 U.S. job openings](#) soared beyond expectations, for example.

Even though markets such as the U.S. and China are strengthening, parts of Europe and Asia remain under strict lockdowns and restrictions, despite [signs of improvement](#). In April, [the Financial Times](#) reported that billings for temporary labor had accelerated.

This trend is in line with many businesses' talent strategies prior to COVID-19 as organizations sought to trade in fixed human capital costs for flexible spend. Being able to scale workforces and teams quickly allows companies to deploy resources to, and away from, parts of the business as needed. Adding benefit, skill sets can be acquired more quickly for fixed or variable periods of time.

Increasingly, these skilled teams operate across functions — sometimes with no clear reporting line — yet deliver a significant business impact. As [Deloitte](#) explains, many businesses are forming "pelotons," which by definition are packs of cyclists that ride closely together to reduce drag for the entire formation. Similarly, companies are forming teams to achieve desired outcomes more rapidly and efficiently. The clearest examples of this are companies developing digital pelotons that work across functions and business lines, such as the [digital lab of RXR Realty](#).

One way to do this is through the development of a [branded talent pool](#), which aggregates active and passive candidates for an organization's permanent and contingent workforce. In this integrated approach, hiring managers have direct access to all work arrangement types. Aided by a talent advisor, the manager can best determine who will be the most appropriate candidate for the task at hand.

This approach is also beneficial to talent, as they are considered for all of an organization's roles that fit their qualifications and interest. If passed over for one role, these job seekers are automatically considered for other appropriate positions. This enables the employer to continuously engage and market to pool enrollees while building on its employer brand for all worker types.

When organizations leverage a branded contingent talent pool, they also have better control and more success in creating a diverse and inclusive, flexible workforce. According to Staffing Industry Analysts' ["The Future of Diversity and Inclusion in the Contingent Workforce"](#) report, companies identified as leaders in workplace diversity and inclusion practices report a 15% advantage in their ability to retain talent as a source of competitive advantage and a 25% advantage in receiving a higher ROI from their contingent talent.

Rather than solely depending on suppliers to source and deliver diverse candidates, a direct sourcing model that uses a branded talent pool can help your organization be much more effective in building a diverse, inclusive and equitable workforce. By leveraging your own brand, targeting marketing to the right talent and establishing a more active strategy, you can ensure access to a robust and diverse pool of ready and engaged contingent workers that can be redeployed again and again.

All of these trends have fueled interest in the marketplace for greater alignment between contingent workforce and talent acquisition leaders. In recent years, organizations have examined how to manage talent holistically, which gives them better cost control and utilization. Embracing a total talent mindset has become a priority at organizations such as [Philips](#), as talent leaders realize the benefits such a model delivers.

According to [Everest Group's 2020 state of the recruitment process outsourcing \(RPO\) market report](#), the pandemic is likely to accelerate adoption of total talent by organizations. This is due in part to greater pressure to decrease costs and a rising interest in direct sourcing for contingent talent.

Companies are realizing there is an opportunity to leverage their recruitment capabilities — or those of their recruitment service providers — to attract and engage temporary talent as well. Being able to tap one talent pool for all roles can significantly reduce costs, while also improving speed to hire for both permanent and contingent hires.

Our 2021 [Talent Trends](#) survey found 47% of organizations are increasing budgets earmarked for total talent investment. More than two-thirds (69%) expect they will likely implement total talent management in 2021. The most often cited reason for investing in total talent is to create efficiencies in hiring (35%), build for the future (34%) and bring strategic planning into HR (33%).

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As your company redefines work and jobs following the pandemic, it will need a more holistic approach to be effective. It will also need access to many different work arrangements that fit each task to be completed, including permanent talent, contingent workers or even technology. Only by establishing this holistic view can you truly build a cost-efficient and agile model.

3 questions you should ask

01

How can contingent talent play an even more important role in your organization's business-focused activities?

02

How can you better empower your contingent workforce across the enterprise through reskilling and technology?

03

When workforce planning, how will you include alternative work arrangements such as SOW, independent contractors and freelancers to meet business needs in the future?

"The contingent workforce is pivotal to making the most of market opportunities for many organizations over the next year, as economic recovery accelerates around the world. Businesses should consider how flexible talent can help them pivot as needed during this time of heightened volatility."

Sue Marcus

regional president, North America
Randstad Sourceright





build a sustainable workforce through flexibility.

Among the many things the pandemic has changed, the concept of the workforce is becoming less defined. In the past, "workforce" referred to permanent employees, but this is no longer the case at many organizations.

According to SIA's [Workforce Solutions Buyer Survey](#), 34% of companies viewed contingent work as part of their strategic planning, and an additional 53% planned to seriously explore this over the next two years. Conducted before the pandemic, these figures affirm that many organizations are resourcing differently in a rapidly evolving world of work. With the pandemic providing reason for companies to speed up their transformation, it's likely some will permanently change their workforce model in the months ahead.

Our 2021 [Talent Trends](#) research has revealed a strong desire to integrate flexible and permanent talent. Remarkably, more than half (51%) say they have consolidated internal responsibilities for permanent and contingent workers. In 2020, this number was just 44%, and a few years before, this would have been unheard of as most organizations remained siloed in their approach.

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In addition, growing interest in [direct sourcing](#) of contingent workers has compelled many organizations to examine how to bring talent into the organization, how to curate it and how to redeploy wherever it is needed throughout the enterprise. This realization is key to redefining work as roles become less defined and dotted reporting lines blur even more.

At the same time, you will have to think about how your organization will redefine work to leverage the flexibility and accessibility of contingent talent. Today's conventional approach to work does not support an optimized talent strategy; rather, it hampers the goal of deploying the most suitable resource for the task at hand.

Indeed, 18% of those we surveyed in the 2021 [Talent Trends](#) research say they don't even have a contingent workforce, or at least not one that is formally recognized. For this group, redefining work can only have a limited impact because they are lacking an essential building block for a total talent approach.

To optimize contingent resources, human capital leaders and hiring managers will have to break down silos and examine how different work arrangements can achieve better outcomes than traditional hires. For instance, should managers in need of full-time UX design support only consider a permanent employee? Or can they get more expertise with faster and better outcomes from several contingent workers? By taking a closer look at their work needs, and having visibility of available resources, business leaders will be able to accomplish more with less.

As businesses turn to more contingent talent in the year ahead — SIA predicts that the U.S. staffing business will [grow 12% this year](#) — you can either simply fulfill orders or reconsider how this type of labor fits into your overall strategy. Undertaking such a task can be challenging, but as the global economy moves into a recovery mode in many parts of the world, some of this work will be necessary to adapt to the post-pandemic environment.

3 questions you should ask

01

How can HR and procurement collaborate more closely to find the skills your organization needs faster?

02

What are the ways in which flexible talent can accelerate outcomes across the enterprise?

03

Do you have full visibility into, and a clear understanding of, how your organization engages and deploys contingent talent?

"You can't achieve the business agility you need to thrive in today's world without an agile workforce. If you've built a contingent workforce, your business is already experiencing some of the benefits, but as skills gaps widen and demand for talent heats up again, you're going to have to take a more holistic approach to talent acquisition to get ahead."

Rachid Schmitz

managing director,
Continental Europe and Strategic Sales
Randstad Sourceright





redefining work is a total talent shift.

With many businesses already consolidating internal responsibilities for permanent and contingent talent, the next great task is optimizing an integrated approach. Success will hinge upon how you redefine how work gets done. In many organizations today, talent leaders determine which type of labor should be used based upon budgets and historical choices. Those who are leading the transformation of work understand there are different and better ways — using technology, data and well-designed processes — to determine how work gets done at their organizations.

So how are companies such as [Merck](#), [Philips](#) and [others](#) leading the way? Leaders at these organizations know that transformation is an ongoing process, and getting it right on day one, or even day 100, is not likely. But once well into the journey, redefining work through a mature total talent strategy leads to the trifecta of resourcing: acquiring better talent more cost effectively and quickly.

The future of work is already here, pushed forward by the pandemic and ongoing digitalization. After more than a year of remote work and flexible schedules, the global workforce has acclimated to a lot of change in a very brief amount of time.

Remote work arrangements were the norm for many permanent employees during the pandemic, but 73% of companies surveyed by [SIA](#) also indicated they are open to offering the same to non-employed workers, and 72% were likely to offer flexible working hours to this group. This flexibility encourages talent to consider hybrid schedules, job sharing, project work or even contractor status knowing they have the flexibility to do their jobs while also tending to household and personal responsibilities.

Our 2021 [Talent Trends](#) research found that before the pandemic, on average only 28% of contingent workers at the companies surveyed were remote. After the outbreak, that number rose to 44% in the fourth quarter of 2020. Of the companies with remote contingent talent, 38% reported them to be more productive than before the lockdown.

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Providing permanent flexible working arrangements is just one aspect of how work will be redefined going forward. How companies determine what resources are needed to achieve a specific work deliverable will change as they will no longer rely on past practices. Instead, data and talent advisory — understanding what talent is available and how quickly they can be deployed — will play a big part in workforce planning.

You can also expect that companies will develop close relationships with the talent they acquire. Our 2021 [Talent Trends](#) research shows that nearly half (45%) have created a sourcing model for contingent talent, which indicates a move to [direct sourcing](#). As this trend unfolds, organizations will have better visibility into which skill sets are available immediately. This will influence how employers select the type of work arrangement for any requisition, having long-term implications for the workforce.

Additionally, many organizations are creatively upskilling and redeploying talent to where resources are needed most. According to the [Society for Human Resource Management](#) (SHRM), internal mobility programs supported by digital talent marketplaces allow many companies to pivot to rapidly shifting market conditions brought on by the health crisis. Unilever, for example, redeployed 4,000 employees to areas with high demand, unlocking 300,000 hours of productivity during the early months of the pandemic.

At the same time, companies are turning to reskilling programs to help those who have been reallocated to other roles quickly develop the competencies they need to succeed in their new roles. Companies are doing this with both permanent employees and contingent talent — moving them around the organization and optimizing the use of workers' specialized skills across the enterprise, rather than containing them in silos and waiting for opportunities to use their expertise.

3 questions you should ask

01

What do hiring managers consider when requisitioning hires, and how does your talent acquisition function help determine the best worker type?

02

Are you building criteria and processes that will help business leaders to understand which resources are best for their needs?

03

What are the key metrics (e.g., cost, time to hire, quality of hire, etc.) you will track around redefining work, and what clear goals do you want to achieve?

"Creating a holistic approach to talent acquisition — one that not only considers recruitment, but also the value reskilling and internal mobility programs can deliver — will be the most transformative step human capital leaders can take for their organizations. As we all navigate these disruptive times, it's time to meet disruption with innovation to help your business thrive."

Anthea Collier

managing director, Asia Pacific
Randstad Sourceright





will technology be your driver or your downfall?

Technology to automate and streamline processes serves as another driver that is helping businesses grow more agile and flexible. In talent acquisition, a myriad of innovative tools are enhancing access to talent for employers. The advancement of AI-powered solutions, broader adoption of chatbots, and candidate management platforms and talent pools are transforming how companies source and hire talent, according to Deloitte. The challenge, however, is making the most of HR technology investments — rather than getting bogged down by them — to enable your talent leaders and workforce.

Human capital tools have exponentially increased the value that people bring to their roles by freeing them from repetitive, low-value tasks. Our 2021 Talent Trends research shows that 73% of human capital leaders say HR technology is helping their talent teams better focus on business-critical activities. The rise of AI and automation to enable humans means many tasks that were done manually are now executed instantaneously, thanks to algorithms.

Technology has reduced complex chores into perhaps a few keystrokes or swipes, accelerated the delivery of outcomes and enabled better business intelligence through analytics. According to our 2021 [Talent Trends](#) research, 70% say AI will open up new opportunities for organizations like theirs.

Talent leaders recognize the tremendous value technology provides when it comes to redefining work and enhancing outcomes, especially for talent acquisition. In fact, 71% say AI and robotics will make the recruitment process more efficient, and the same number believe they will be able to source, attract and engage more of the right talent. Nearly as many (70%) say AI will enable humans to be more efficient, work more safely and be more productive.

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They also expect that AI technology will both create jobs and displace workers; some workers will likely be made redundant while others will see reskilling opportunities. While 72% of talent leaders in our [Talent Trends](#) survey believe that AI will open up new opportunities for talent, 52% believe jobs will be lost from broad adoption.

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If that's the case, process engineers will need to take a closer look at how work will be distributed between humans and machines on an ongoing basis, as this will be a constantly changing equation. In a study of three markets on the future of jobs in the era of AI, the [Boston Consulting Group](#) and analytics firm [Faethm](#) projected labor market needs in the U.S., Germany and Australia. They expect that the skills gap will continue to grow wider, and there will be a growing shortfall for roles requiring technology skills and people skills, such as healthcare, social work and teaching.

As your company redefines work, it must consider the value people can add to a role, versus machine or AI. For instance, can retailers add more self-serving kiosks in their stores without turning away customers accustomed to personalized services? Will buyers prefer the efficiency of an e-clerk over a human one? Similarly, will job candidates prefer a friendly recruiter voice to help them prepare for an interview, or does the convenience of a digital recruiter accessible 24/7 offer greater value?

3 questions you should ask

01

In which areas of your organization are humans delivering the lowest value, and can technology replicate their work?

02

What skills do you need to provide to your workforce to ensure they can leverage technology to achieve the best outcomes?

03

If your organization plans to replace people with machines, how can you redeploy the workers to retain the knowledge and skills they offer?

"With so much innovation occurring, every organization should constantly assess how new tools can be used to offload low-value, repetitive work from their workers so they can focus on revenue-impacting activities. This will require wiser investments in recruitment and talent technology."

David Vincent

managing director, UK & Ireland
Randstad Sourceright





talent analytics create the clarity needed for agility.

With data being generated at exponential rates, companies that embrace a total talent model and are reconsidering how to deploy resources will rely not only on workforce data, but also business metrics to guide decision-making. At this point, data analytics have become inseparable from the recruitment technologies used to source candidates, conduct video interviews, perform assessments and make hiring decisions. Each of these tools generates a tremendous amount of data about each job seeker, and AI will be critical to extracting actionable insights from all this information.

People analytics have been credited with helping organizations that use them to achieve business decisions that are three times more effective than those that don't, according to [Forbes](#). So how can your organization use analytics to optimize its workforce? Consider the sources of data that can transform access to, competition for and the relevance of skill sets. At the role level, the use of market data regarding compensation, skill availability, and which work arrangement is best can drive cost efficiency and time to fill. Along with an internal mobility program that tracks an organization's existing resources, talent acquisition and contingent workforce data give hiring managers a clearer perspective into the various options available to fill a role or a requisition.

At a line of business level, global market data provides guidance on where organizations should establish a footprint to access the right, bigger and more diverse talent pools. Analytics also offer visibility of all interested and available workers within your company's branded talent pool, including when assignments are completed and when talent can be redeployed. In addition, retention data can indicate why talent stays in or leaves a pool, and where they may end up.

And during this period of heightened awareness around diversity, equity and inclusion, workforce analytics are critically important to an organization's ability to attract, hire and develop the diverse workforce its leaders desire. Metrics around pay parity; [representation within your candidate slate](#), workforce and leadership teams of underrepresented populations; training and development data; and external market benchmarks are the start of any conversation around equity and inclusivity.

Finally, an important function of analytics is to provide a long-term roadmap of skills availability within your workforce. Specifically, data can help answer:

- Which skills will become obsolete in the near future?
- To which high-value individuals should we provide reskilling opportunities?
- What skills can be redeployed to drive a more agile workforce?

Every year, analytics are one of the top areas of investments for talent leaders. According to our 2021 [Talent Trends](#) research, 36% of employers are keeping their predictive talent analytics budgets steady, while 42% report they are increasing their investments here — and for good reason. Both internal and external data provide transformative powers for organizations to redefine their human capital strategy and execution.

36% of employers are keeping their predictive talent analytics budgets steady, while 42% report they are increasing their investments here.

Data should serve as the driving force behind your holistic, agile workforce strategy. That's why 1 in 4 of the C-suite and talent leaders we surveyed report they've already integrated their technology stacks and talent analytics to move toward total talent management. By understanding — and sometimes predicting — what skills the business will need, human capital leaders can recommend alternative work arrangements or technologies to get work done.

For instance, if a skill set is periodically needed by the business, can the permanent role created for this skill set be converted to a contractor or statement of work position? Or if such a role is currently contingent, can that skill set be deployed across functions in a permanent role, resulting in greater internal expertise and cost efficiencies? Through insightful analytics, you have the ability to answer these questions quickly.

3 questions you should ask

01

How are you using data to drive your company's diversity, equity and inclusion goals forward?

02

What sources of data and market intelligence will you use to understand skills availability both within your business and in your talent pools?

03

What are you doing to demonstrate the impact of analytics on the business and the justification for continued investments in this area?

"Analytics are already helping businesses achieve greater agility today, and those companies that use talent data to drive their decision-making will be the clear winners. Make sure you have the technology, expertise and insights you need to help your organization stay ahead of market developments and guide the development of your human capital strategy."

Summer Husband

vice president,
Global Data and Analytics
Randstad Sourceright



future-proof your talent strategy.

As your company grapples with emerging market drivers, evolving labor regulations and a volatile global economy in the months ahead, you have a tremendous opportunity before you. How will you stay ahead of the trends and propel your organization to the front of its competitive field with talent? By transforming the way your company defines work, building a more flexible workforce, and putting the technology and data in place that will help you illuminate the path forward, your organization can drive business readiness and future-proof its talent strategy.



ready to learn more about the agile workforce strategies you just read about?

Imagine an integrated technology ecosystem that enables digital adoption at scale, a seamless flow of data that gives you full visibility into your workforce, and a direct sourcing-led approach with your own branded talent pool. Get your complimentary copy of the new Everest Group white paper, "MSP 4.0: from contingent workforce management to contingent talent empowerment," to get started.

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or go to
<https://randstadsr.com/3h2FNZJ>

Talent Trends methodology

The 2021 [Talent Trends](#) research is a survey of 850 C-suite and human capital leaders across 17 markets, conducted by a third party on behalf of Randstad Sourceright. It is designed to help our clients and the broader business community understand the top talent acquisition and workplace trends for the year ahead.

Online surveys are conducted via external panels. Interviews are self-administered and can be taken across devices (including mobile phones, tablets, desktops and laptops).

Survey samples include business leaders at international and regional organizations in Australia, Belgium, Brazil, Canada, China, France, Germany, India, Italy, Japan, Mexico, the Netherlands, the Nordics, Poland, Singapore, the U.K. and the U.S.

about Randstad Sourceright

Randstad Sourceright is a global talent solutions leader, driving the talent acquisition and human capital management strategies for the world's most successful employers. We empower these companies by leveraging a [Human Forward](#) strategy that balances the use of innovative technology with expert insights, supporting both organizations and people in realizing their true potential.

As an operating company of Randstad N.V. — the world's leading global provider of HR services — Randstad Sourceright continuously builds and evolves talent solutions through recruitment process outsourcing (RPO), managed services programs (MSP) and total talent strategies.

Read more at randstadsourceright.com.