

The State of Contingent Work 2023

Develop great practices, partnerships, and technologies to get the most out of your contingent work arrangements



The vast majority of organizations use contingent workers, though the extent of their use varies widely

86%

of surveyed organizations use contingent workers



Sometimes they make up considerable proportion of total workforces:

29%

say contingents represent 20% to 49% of their workforce

12%

say contingents are more than half of their workforce

Most say spending on contingent workers has risen or stayed the same, a trend likely to continue

Over the **last** 2 years

81% of respondents say spending on contingent workers has

42%

remained steady

39%

increased

Over the **next** 2 years

83% of respondents say spending on contingent workers will either

47%

remain steady

36%

increase

Organizations use contingent workers for a variety of reasons, but four stand out

The top 4 primary reasons for using contingent workers are:

- ✓ staff short-term projects (**65%**)
- ✓ increase business agility and flexibility (**45%**)
- ✓ boost skill levels (**34%**)
- ✓ increase speed of talent acquisition (**29%**)

Cost can be a factor as well. Nearly half (**46%**) say **full-time workers** tend to be **more expensive** than contingent workers



46%

Despite the benefits of using contingent workers, few organizations excel at managing them

33% say their ability to manage these workers is **"top-notch"**

67% Most say they are just **"okay"** or **"poor"** at managing their contingent workers

Respondents say the top challenges related to managing their contingent workforce are:

- 🎯 managing their performance levels
- 🎯 ensuring they are engaged
- 🎯 ensuring the current availability of desired workers
- 🎯 failing to find enough required skill sets
- 🎯 training and onboarding

Difficulties managing contingents may be one reason many organizations outsource at least part of the management of contingents

45% directly manage* half or more of their contingent workers

however, the same percentage manage less than 19% of their contingent workers

Another factor is that many companies aren't making use of technology to manage contingent workers

Many organizations are underutilizing technology, when it comes to contingent worker management

41% of organizations do not use technology to manage contingent workers

Of those that do use technology to manage contingent workers, the most popular systems are:

- ✓ Onboarding systems
- ✓ Contingent workforce management systems
- ✓ Performance management systems
- ✓ Vendor management systems



But the technology picture is likely to evolve over the next three years

When asked which technology-related factors will become more important to the management of contingent workers over the next three years, the top answers are:



analytics



application tracking systems



activity tracking technologies



talent marketplace platforms



automation



vendor management systems



security-focused technologies



assessment technologies

How do contingent power users** differ?

When compared to other organizations that do not use contingent workers to the same high extent, power users are more likely to:

- use contingent work arrangements to increase business agility and flexibility
- use recruitment process outsourcing providers and managed service providers
- say that using contingent workers is a cost-effective alternative to hiring full-time staff
- leverage contingent workforce technologies, especially contingent workforce management and vendor management systems
- believe related technologies will become even more important over the next three years, including artificial intelligence, talent management platforms, security focused technologies and vendor management systems



Consider these strategies

Determine how contingent work can best help your firm, such as by increasing its agility

Train managers on how to manage contingent workers and/or vendor partners well

Source contingent workers that will fill specific needs

Use technology to streamline the contingent worker management process

About the Survey



"The State of Contingent Work 2022-23" survey ran from October to December 2022. The data is based on responses from 228 HR professionals. The participants represent a broad cross-section of employers by number of employees, ranging from small businesses with fewer than 50 employees to enterprises with 20,000+ employees.

*This means as opposed to allowing an outsourcing partner to directly manage contingent workers in all ways

**Contingent power users: Those who answered the question "About what percentage of your overall current workforce is made up of contingent workers?" with a value in the range of "20% to 100%."

***Contingent lesser users: Those who answered the question "About what percentage of your overall current workforce is made up of contingent workers?" with a value in the range of "None to 20%." However, those whose firms do not use contingent work arrangements at all were excluded from most of the survey, with the exception of the future-looking questions, so this category is primarily made up of companies in which contingent workers are 1% to 20% of employees.



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