

fast facts: increasing adoption of integrated staffing model

growing number of organization's utilizing contingent workers

- Sixty-seven percent of today's organizations utilize contingent workers in some capacity.
- The average percentage of contingent workers making up organizations' workforces has been steadily growing, reaching its highest in 2012 at 8.3 percent (up from 6.6 percent in Randstad's previous research conducted in 2009).
- Nearly nine-out-of-ten companies say that their percentage of contingent workers has either stayed the same or increased over the past several years.
- A recent study of 479 senior executives found that 67 percent plan to maintain "leaner" organizations by outsourcing work or hiring contract workers.¹
- Labor law firm, Littler Mendelson predicts that contingent labor could eventually comprise up to 50 percent of the U.S. workforce.

impending need for integrated staffing strategy

- As the country slowly emerges from the recession, projected hiring levels are beginning to rise. Nearly one-quarter (21%) of companies plan to increase their percentage of temporary or contract workers over the next 12 months – the highest percentage documented in previous research, with 16 percent in 2009 and 13 percent in 2005.
- Thirty-nine percent of companies plan to increase their percentage of full-time workers, a vast increase from recent finding of only 24 percent of companies two years ago.

- Nearly two-in-ten (18%) companies are more committed to building a variable workforce compared to the start of the recession in 2008. Seventy-three percent of organizations have about the same level of commitment now as they did in 2008 to building a variable workforce.

benefits of integrated staffing model (mix of contingent and full-time)

- Increased adoption of contingent labor strategies proves the benefits of hiring contingent workers outweigh the costs. However, the benefits extend beyond what most companies may imagine.
- Fifty-two percent of the companies who do not use any contingent workers anticipate 21-30 percent of their workforce to leave in the next year. On the contrary, the amount of projected turnover declines as the utilization of contingent workers increases.

company's percentage of contingent workers	expects 21-30% of workforce to leave in next year
0	52%
1 – 10	32%
11 – 20	11%
21 – 30	5%

- Given the forecast for hiring, of both contingent and full-time hires, combined with slow economic growth projections, means that periods of rapid ramp-up are unlikely. Organizations' ability to flexibly and quickly adjust their staffing levels will prove increasingly important.

more organizations using, benefitting from integrated model	2012
The flexibility of the contingent workforce has allowed the organization to remain nimble during economic ups and downs.	71%
An integrated hiring strategy for contingent and full-time workers will result in higher workforce quality.	70%
The flexibility of the contingent workforce has allowed the organization to protect its full-time workforce.	64%
Our organization is effectively using an integrated hiring strategy.	64%
The company is considering or currently has an appropriate mix between contingent and full-time workers.	62%

recruitment outsourcing also increasing post-recession

- By 2020, it is estimated that U.S. employers will require college-educated workers for 36 percent of all jobs, up sharply from today's 24 percent. The U.S. is projected to have a gap of three percent, or 1.5 million too few workers with college or graduate degrees in 2020.²
- The anticipated skills gap is one of the driving factors behind companies' growing need and desire to outsource the recruiting of many high-skilled functions.
- More than one-third (34%) of all companies today prefer to outsource the recruiting of certain specialized functions.
- Nearly half (48%) of large companies (\$1+ billion) prefer to outsource specialized functions, compared to 31 percent of companies with less than \$500 million in revenues who do so.
- The ability to hire better, more qualified candidates faster is a primary benefit that nearly one-third (29%) of companies listed as an advantage to outsourcing.

companies lack direction, insight into determining right mix of talent

- Many companies understand the value of an integrated hiring strategy and in partnering with an outsourced recruitment resource but simply lack direction and advice on exactly how to do so.
- Nearly eight-out-of-ten companies would find access to specific information to help determine the right mix of full-time, contingent, and contract labor for their organization valuable, with 22 percent of those companies finding it very or extremely valuable.

¹ Marlene Prost, "Contingency Plans," Human Resource Executive Online, December 1, 2010

² McKinsey Global Institute (MGI)