Your Hidden Talent Pool: Tapping Your Contingency Workforce

A RECRUITING TRENDS WHITE PAPER, SPONSORED BY PEOPLEFLUENT
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Today’s contingent workers hold a variety of positions, from entry to executive level. Yet, because they are not technically “employees,” they are often overlooked for other opportunities. Is your organization missing out on an untapped talent pool because it does not effectively manage, track, and retain these members of the workforce?

Contingent workforce continues to grow and improve in quality

Fueled by the Great Recession and an increased desire for flexibility on the part of both workers and employers, the contingent workforce continues to grow. Since the financial crisis of 2009, the United States has seen unemployment drop from a height of 10.2% to 7.3% in August 2013.¹ This is partly due to an improved economy. However, economists also estimate that up to 90 million people may have taken themselves out of the labor force voluntarily and are no longer looking for employment because they’ve either opted for early retirement or are working on a contract basis.²

Nearly one-third of the US workforce is now comprised of so-called freelancers. Research shows that between 10 and 42 million people now work outside the traditional 9-to-5 model.³ And the number is expected to continue to rise. Indeed, the number of contingent workers is projected to increase worldwide. In the US alone, contingent workers are expected to account for more than 40 percent of the workforce by 2020.⁴

According to a recent US Department of Labor study, 65 percent of employers anticipate an increase in the use of flexible staffing arrangements. While employers seek to reap the benefits of more competitive labor costs and a “just in time” labor model, contingent workers see the benefits of greater scheduling flexibility, multiple employer relationships, and often higher direct pay.

And these workers are not the temps associated with traditional administrative, seasonal, and manual labor positions.

Today’s contingent workforce is far more skilled. In fact, nearly one-third of contingent workers are in supervisory or managerial roles.⁵

“You’re no longer looking at the admin skill set of the 70s and 80s temp workforce,” says Sharon Dixon, Senior Vice President of Adecco USA, a leading provider of recruitment and workforce solutions. “Due to the layoffs after 2008, there’s a new pool of untapped, highly skilled labor that has never been available in the contingent workforce before.”
Perhaps it’s not surprising then that a Recruiting Trends September 2013 survey finds more than 93 percent of recruiters reporting at least some usage of a contingent workforce.

**Despite contingent workforce growth, recruiters often do not play an active role**

Yet, despite an increase in the number and quality of contingent workers, the Recruiting Trends survey finds that 40% of corporate recruiters are not actively involved in recruiting and hiring for these positions – and of those who are involved, 83% spend less than 20% of their time recruiting contingent candidates. Instead, the recruiting function is typically relegated to hiring managers. As a result, many contingent workers end up not captured in the traditional HR processes and are overlooked in the corporate talent pool.

“Corporate recruiters tend to focus on full-time employees (FTEs) and act more as a liaison between hiring managers and contingent workers rather than actively recruiting,” says Dixon.

In some instances, recruiters may purposely overlook long-term contingent workers, making assumptions that these individuals haven’t been able to find traditional employment. Accordingly, highly qualified candidates who are applying for contract or even permanent work may not be considered because of skill, dedication, and integration concerns.

However, perceptions of long-term contingent workers are starting to change. Some companies are beginning to use the “temp-to-perm” model as a way of vetting candidates for junior as well as more senior roles.

Soft drink and beverage giant Coca-Cola typically uses a temporary staffing agency to find contingent workers, but the company is increasingly leveraging corporate recruiting for temp-to-perm positions.

“If it’s a regular position that happens to be a contract role or one that reverts to permanent after some period of time, then we handle it through corporate recruiting,” says Tim Conley, Talent Systems Consultant for Coca-Cola. “The search would be like for any other candidate, but they would know upfront that it’s a contractor to start.”

Some staffing firms, like B2B CFO and Cerius, are actually focusing on the highly qualified contingent worker segment, placing high-level management with an experienced skill set on a temporary basis.
And there should be no shortage of opportunities for skilled contingent workers. CareerBuilder, a leader in human capital solutions, estimates that temporary/contract hiring will grow 31% this year, while full-time hiring is expected to remain flat.6

**Leveraging your company’s contingent workforce**

So, how can recruiters help the company better leverage its contingent workforce?

Here are three ways to maximize the value these members of the workforce bring to the organization.

1. **Incorporate contingent workers into the recruiting process**

Whether or not your recruiting organization is actively involved in recruiting contingent workers, it should know who has been at your firm, what their skill sets are, what roles they’ve been in, and how they performed. Recruiters should have access to a system that tracks and follows contingent workers. If your recruiting organization is not directly responsible for recruiting these workers, they could advise procurement leaders on how to provide hiring managers with guidelines and tools, including assessments, so they can more easily find effective contingent staff and retain them.

Even though contingent workers may not qualify for full benefits or other workplace perks, it’s important that your company projects a consistent brand image and corporate culture to both the contingent and traditional employee population – and the corporate recruiting organization is uniquely positioned to bridge that gap.

2. **Find the right tools and platforms to manage your contingent staff**

While it’s important to ensure alignment of contingent and full-time workers from a skills inventory, brand, and corporate culture perspective, management of contingent staff does have unique considerations in terms of employment law, skills assessment, and performance management.

Historically, vendor management systems have been used to manage contingent workers. However, in the past, these tended to focus more on compliance than on true talent management. But as this functionality becomes more comprehensive, software companies are beginning to offer integrated vendor management and HR platforms.

“These newer platforms allow for integrating sourcing and talent management across the organization, and provide access to all available talent for the purpose of assessing

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“**As the contingent workforce grows and technology develops, we’re seeing more and more use of integrated software platforms.**”

—Sharon Dixon, Senior Vice President, Adecco USA
and managing the entire workforce in a consistent manner.

When internal contingent staff skills are pooled with permanent staff skills, a company has a broader base for sourcing and often greater flexibility for the business in filling the right position. Why go external when you might have the perfect candidate already in-house?

Additionally, having an integrated contingent and permanent platform provides candidates with a more transparent process. It is easier for them to access a greater breadth of positions, simplifies the application process, and provides consistent messaging across the recruitment and hiring processes.

3. Don’t rule a contractor out

Remember, just because someone may have been in a contingent role for a while doesn’t mean they’re not the best candidate for other contingent or even permanent work. Candidates’ life situations change and a candidate may also present a different set of skills depending on the role for which they are applying. Remain open-minded, well informed, and be prepared to jump on the contingent opportunity when it presents itself.

“People can move freely back and forth between those environments [contingent and permanent] very easily,” says Jim D’Amico, Director of Talent Acquisition for Spectrum Health, a not-for-profit health system in West Michigan. “Just because someone is a consultant for a long time, it doesn’t exclude them from coming back in-house. It all depends on where they are at a given point in their life.”

D’Amico also points out that sometimes people who have been private contractors for an extended period of time have firsthand experience as to how to run a business, which in some ways makes them more effective.

Dixon says, “So many workers were displaced during the financial crisis. There’s a significant population that has the skill set that recruiters want. They have the ability to tap into workers that they were not able to access before.”

“We try to find reasons to include people in our candidate pool rather than exclude them. Excluding them seems to be the norm.”

—Jim D’Amico, Director of Talent Acquisition, Spectrum Health
The contingent workforce is growing at a rapid rate, and by staying involved, open, and leveraging the right tools, recruiters can help the company make sure it’s not missing out on opportunities to leverage talent – talent that, in many cases, is already contributing to the organization.

(Endnotes)

About Recruiting Trends

Since 1970, Recruiting Trends has been dedicated to serving the recruiting industry. RecruitingTrends.com and its companion biweekly newsletter, Recruiting Trends Bulletin, reach senior-level recruiters and human resource and talent management leaders within small, medium, and global enterprises and are the industry sources for key decision makers and influencers in the profession to read about what’s going on in their world. Recruiting Trends features articles and research that explore current and future trends, share leading-edge best practices, identify tactical recruiting expertise, and offer industry insight.

Recruiting Trends also hosts Recruiting Trends Best Practice Webinars featuring recruiting experts who discuss relevant and timely sourcing, recruiting, and on-boarding topics. In addition, Recruiting Trends holds the Recruiting Trends Conference and other live events.

In April 2013, Recruiting Trends was acquired by Diversified Business Communications, a global organization operating on four continents, and a major independent producer of events and media worldwide.
About Peoplefluent

Peoplefluent is the leading provider of talent management solutions designed to support the entire workforce. We provide the mobile enablement, social collaboration, information visualization and the domain expertise required to empower strategic decision making and true employee engagement. Our talent management software enables organizations to unlock each individual’s potential by removing the boundaries that limit the performance and productivity of your workforce. With the most comprehensive talent suite in the industry including solutions for talent management, workforce compliance and diversity, contingent workforce management, analytics and workforce planning, Peoplefluent offers a solution to optimize every step of the talent lifecycle.

Our solutions have helped over 5,100 organizations in 214 countries and territories successfully achieve their talent aspirations. Today, 80% of the Fortune 100 relies on Peoplefluent solutions as part of their talent management delivery strategy.

Raleigh, North Carolina
434 Fayetteville Street
9th Floor Raleigh, NC 27601 USA
Toll-Free: (877) 820-4400 Tel: +1-919-645-2800

Waltham, Massachusetts
300 Fifth Avenue
Waltham, MA 02451
USA Toll-Free Product info/sales: (877) 422-1114 Tel: +1-781-530-2000

London, United Kingdom 15 Fetter Lane London EC4A 1BW United Kingdom
Tel: +44 (0) 20 7832 3440

www.peoplefluent.com

Additional resources:

Recruiting the Web’s Top Talent – On-Demand a Peoplefluent webinar recording
http://mktg.peoplefluent.com/PeoplefluentandLinkedInRecruiting.html

“Three Corporate Recruiting Trends You Can’t Afford to Ignore – How LinkedIn, Mobile, and Big Data Are Changing the Game” a Recruiting Trends White Paper

Recruiting Trends Conference: www.recruitingtrendsconference.com
Peoplefluent TalentUnity™ Enables Holistic Talent Acquisition

It’s about Identifying, Sourcing and Managing Your “Entire” Workforce

Most hiring and procurement teams cannot solve the “big picture” talent acquisition puzzle today because ATS and vendor management processes are not integrated. Without an integrated solution, important roles can go unfilled because qualified internal candidates are not visible.

Peoplefluent TalentUnity™ combines contract/contingent sourcing and recruiting workflows to enable holistic talent acquisition. It empowers business and procurement managers, HR professionals and recruiters to identify, attract and hire the best candidates, whether they join the team as hourly, salaried, contracted or contingent workers. TalentUnity™ gives hiring and procurement teams the ability to solve the “big picture” talent acquisition puzzle with integrated ATS and vendor management processes.

Benefits

- Workforce planning: enables creation of a comprehensive talent pipeline of prequalified candidates from temp, part-time and full-time staff for current and future positions
- Analytics: provides access to common business intelligence and reporting functionality from recruiting and contingent workforce solutions
- Compliance: facilitates talent acquisition compliance such as background checks, healthcare certificates, NDAs, tenure management, 1099, and more

Peoplefluent TalentUnity Sample Scenarios

Peoplefluent TalentUnity™ changes the way companies acquire talent. It enables hiring decision managers to look across recruiting and contingent workforce solutions, which is particularly important in the following three scenarios:

1. Considering Both Contractor and Full-Time Hire Talent Option: As workforce demands shift and more prospective employees prefer flexible employment, leveraging talent with specific skill sets on a contract basis could be strategic to a business’s bottom line as well as employee satisfaction. Peoplefluent TalentUnity™ enables companies to leverage vendor networks or talent pools to identify the best source of hire for a specific opening.