



Executive insights by Eightfold AI

Outmaneuvering uncertainty: The contingent workforce and a winning employment model

From adapting swiftly to market fluctuations to bridging critical skills gaps, the contingent workforce is reshaping traditional employment models. In the United States alone, [nearly 36%](#) of the workforce considers themselves independent workers.

However, managing this new workforce demands a fresh perspective and a modern approach. Hiring contractors is much more than a stopgap. Comprehensively and strategically tapping into this unique and flexible talent pool helps with long-term growth, diversity, and adaptability.

In this brief, we explore the critical and growing role of the contingent workforce and how contract workers are helping businesses navigate uncertainty, optimize their workforces, and close growing skills gaps.



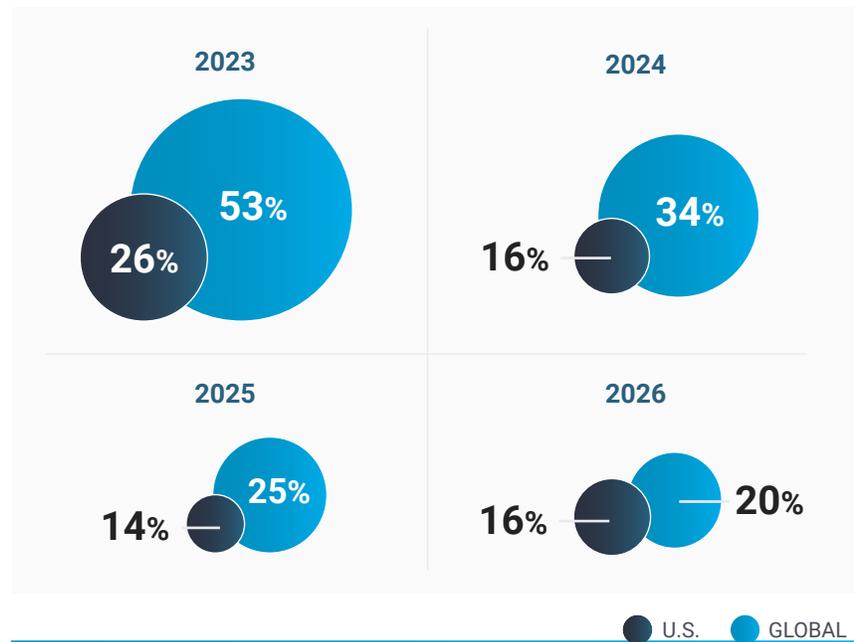
“Freelancers could make up half of the workforce in the U.S. within one decade.”

– “Fueling the global gig economy,”
Mastercard

The case for contingent workers

From nonstop recruitment campaigns to extensive layoffs, the volatile market has caused businesses to continually adapt their personnel strategies. There has been a notable surge in the use of contingent workforces over the past three years — a trend we anticipate will persist.

Predicted growth in contingent workforce participation



Source: Eightfold Talent Intelligence Platform, 2023

Based on our latest talent insights, the contingent workforce — including freelancers, consultants, and temporary contract workers — is projected to grow by [53% globally](#) in 2023. This explosive growth can be attributed to several factors, including economic unpredictability, increased layoffs, and the significant shift toward matching skills to work and outcomes.



The contingent workforce is so effective because it offers a versatile approach to workforce planning, helping organizations bridge growing skills gaps at a lower cost and scale up or down on demand. **This strategy minimizes overhead risk and ensures rapid talent mobilization to meet sudden demand surges or personnel fluctuations.**

Outmaneuvering the skills shortage

Employers estimate that [44% of workers' skills](#) will be disrupted in the next five years. Contingent workforces allow businesses to quickly tap into a broad talent pool with specialized skills, allowing them to address talent gaps without lengthy processes, costs, or legal hurdles of hiring or laying off full-time employees. Hiring contractors also enables organizations to bring in experts for specific projects, ensuring that the [right skills](#) are available when and wherever needed.

A winning employment model

Hiring contingent workers presents a winning scenario where the organization benefits from operational flexibility and reduced costs while workers enjoy diverse project engagements and more flexible working arrangements. Companies can easily onboard these workers and just as readily conclude their services. Additionally, contingent work offers a unique opportunity for both parties to assess compatibility before considering a full-time engagement. This evaluation period can ensure a stronger, more harmonious relationship in the long run.



How to build a progressive contingent workforce strategy

To build a successful contingent workforce, you'll need a fresh mindset, meticulous planning, and robust mechanisms for tracking workforce dynamics.

Reconsider the expendable: The need for a paradigm shift

Traditionally, many organizations have treated contingent labor as a transactional necessity rather than a strategic resource — expendable commodities rather than valuable assets. However, this perspective is increasingly proving to be shortsighted.

In today's competitive and rapidly evolving business environment, companies that value their contingent workforce are gaining a significant advantage. This includes keeping labor costs down, attracting best-fit talent, quickly acquiring competitive skills, and improving overall workforce quality.

The contingent value proposition (CVP) lies in its flexibility, diversity, and scalability. Businesses can access the right skills at the right time, accommodate workload fluctuations, and foster innovation through diverse perspectives. This is particularly relevant today as organizations grapple with the complexities of a hybrid workforce and the demand for digital skills.

Meticulous resource demand planning: The heart of effective management

Successful contingent workforce management is grounded in precise, strategic planning. Organizations first need a thorough understanding of their existing workforce — of the skills they do and don't possess. Then, with an informed view of which skills are rising or falling in the workforce, organizations can make plans to buy, build, or borrow the talent they need.

Effective resource demand planning should be fluid, allowing for adjustments and tweaks as the organization evolves. This process should also include a clear projection of workforce demands, accounting for project timelines, specific skills required, and budgetary constraints.



Align your contingent workforce program with strategic goals and initiatives

Evaluate your company's top objectives for the current quarter or six months, then tap into the contingent workforce to quickly activate highly skilled talent to ensure your most important projects and initiatives have the skills and resources needed to succeed.

For instance, many organizations and hiring managers will start requisitions looking for senior individuals, but due to scarcity and long hiring processes, they end up hiring more junior candidates. Hiring contract workers provides a cost-effective way to quickly gain access to highly skilled talent.

Embrace the contingent workforce as a strategic advantage

Contingent workers have emerged as a vital component of a high-performing workforce, bringing unique skills at a lower cost and with greater flexibility. Businesses can unlock their full potential by rethinking traditional mindsets, using data for precise planning and forecasting, and aligning contingent workforce programs with broader objectives. This includes creating an inclusive and engaging work environment that values and respects all workers, regardless of their employment status. In the long run, strategic hiring positions organizations for sustainable growth, maximizing the value of permanent and contingent workforces.

Unrivaled
workforce
clarity.

Extraordinary
business
outcomes.

See
Greatness
Everywhere.



Ready to create a data-driven, strategic approach to a truly elastic workforce built for your needs?

[Eightfold Talent Flex](#) gives talent and business leaders the power to directly source high-quality contingent workers faster. With increased visibility into your contingent workforce, you can meet business needs by closing skills gaps and connecting your talent strategies, all while reducing costs and dependencies on staffing agencies and suppliers.

Discover how we can help you build a future-ready workforce with a contingent workforce plan today.

[Transform your workforce](#)

About Eightfold AI

Eightfold AI's market-leading Talent Intelligence Platform™ helps organizations retain top performers, upskill and reskill their workforce, recruit talent efficiently, and reach diversity goals. Eightfold's patented deep learning artificial intelligence platform is available in more than 155 countries and 24 languages, enabling cutting-edge enterprises to transform their talent into a competitive advantage. For more information, visit www.eightfold.ai

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