


workforce 2025

the future of the world of work



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embrace change

The world of work has changed. Successful organizations know something others don't: slow, steady and consistent no longer win the race. Competitive businesses today are fast, flexible and – most importantly - agile. They create fewer obstacles to responding quickly. They take unpredictable, dynamic market trends in stride. They sidestep when necessary to keep moving forward because they've built a workforce based on a non-traditional model that is adaptable, fluid and responsive. They adopt simple, cost-effective processes through which they manage a workforce that is both connected and autonomous.

Does this describe your business? Our research shows it's what organizations need to embrace if they are to remain sustainable, robust and successful.

We've created this document, the first of a two part series, to help define workforce agility and explore what that might look like – the 'what' and 'why' of change. In the following document, we'll talk about the 'how'.

Workforce agility is no longer a nice-to-have; now, and increasingly going forward, it's a must-have for businesses to survive and thrive, and for workers to remain employable.

Change is inevitable. Embrace it.

the terms of engagement

Workforce agility is defined as the ability of employees and organizations to remain steadfast and maintain productivity in the face of change.

When we refer to a flexible workforce, we're talking about a staffing model that features non-traditional workers*. Such a model allows an organization to hire on an as-needed/on-demand, temporary basis to fulfill short- or long-term contracts that fill skills gaps. These are not the 'temps' of the past; instead, they range from blue collar, light industrial to highly skilled IT, engineering, accounting and HR professionals.

The specifics of how organizations apply the definition depends on their industry. As a result, there are many ways to be a non-permanent employee.

The terms most frequently used are:



contingent worker

an independent contractor or freelancer who works on a contract basis



virtual or remote worker

a consultant, contractor or freelancer who works off-site



independent contractor

a self-employed individual who submits their own invoices for services provided



freelance worker

an independent worker who pursues a profession without a long-term commitment to any one employer



consultant

an expert who provides professional advice or services on a full- or part-time basis

** Please note, we use the term 'non-traditional worker' throughout this document to refer to contingent, consultant, contractual, part-time, freelance and/or virtual workers.*

agility
has arrived





agility is shaping the world of work

Organizations are already hiring a broad variety of non-traditional workers who currently make up 20% to 30% of their workforce. In fact, more than one in four employees are freelance. Part-time workers are less prevalent than contingent or freelance workers, averaging less than a quarter of the workforce. Employers estimate almost a quarter of their workforce is working virtually or remotely.

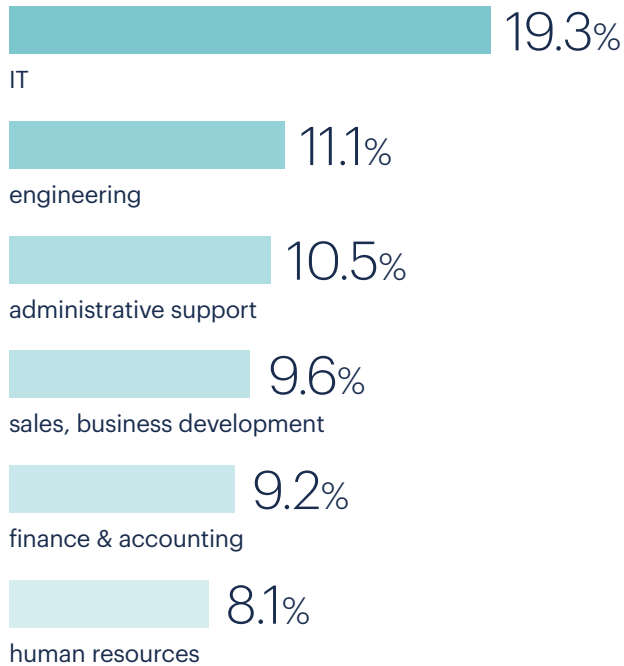
Almost half of organizations are currently committed to building a variable workforce over the next five years to allow for greater flexibility and adaptability. By 2025, the majority (85%) anticipate that commitment to an agile workforce will increase dramatically. These forward-thinking businesses see agility as the way to increase customer responsiveness, recession-proof their organizations and as immunization against dynamic economic and political changes.



non-traditional workers already make up to 30% of the workforce

The impetus to increase a non-traditional workforce varies according to industry. On average, the IT sector has the largest proportion of non-traditional workers at almost twenty percent, followed by engineering. HR has the lowest, again, because of the nature and specific requirements of the work.

proportion of non-traditional workers by function



the future of the workplace is agile

everyone facing forward

While not always in agreement, employers and employees are aligning their vision of the world of work more and more closely, and have similar expectations on several aspects of how the workplace will look by 2025. Generally, employees are more inclined to think that mixing traditional and non-traditional talent will lead to corporate success, that employers will need to be more effective at recruiting and engaging non-traditional workers, and that at least a quarter of the workforce will be remote or virtual.

Employers and employees are equally likely to agree that the majority of the workforce where they currently work will be working in a non-traditional arrangement by 2025. They also agree the majority of the workforce will be remote or virtual.

employers forecast flexibility

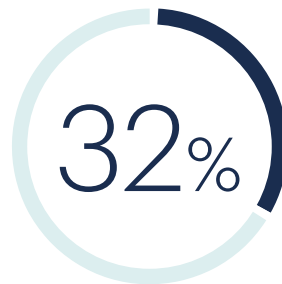
Looking ahead to 2025, a majority of employers anticipate their organization will be much more committed to building an agile workforce than currently. Four in ten employers say their organization is committed to building a non-traditional workforce to allow for greater flexibility over the next five years.

Employers whose workforce currently includes each type of variable worker expect the trend to continue into 2025.

what employers forecast each work model will be in 2025



contingent,
contract, consultant



virtual or
remote worker



part-time
consultant

Note: these percentages don't relate to the total of the workforce; instead, they correspond to what current employers who utilize non-traditional workers believe each group will look like in 2025.



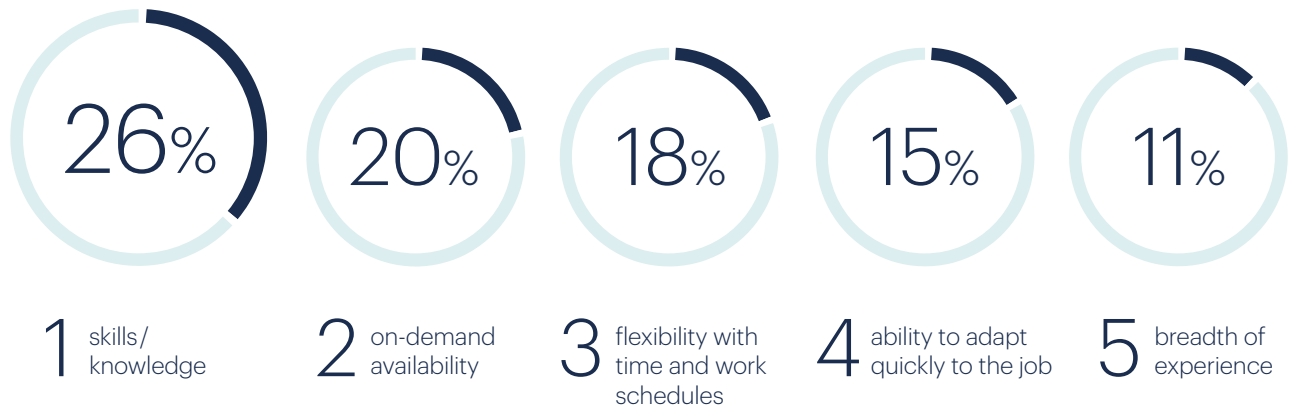
why build an
agile workforce

it's about skills, flexibility and more

Before investigating the 'why' of an agile workforce, we wanted to understand more fully what employers currently consider the advantages to employing this type of worker. We weren't surprised to learn that skills and knowledge were at the top of their list. Flexibility was next, which can refer to on-demand availability, flexibility with time and work schedules, or the ability to adapt quickly to the job.

The statistics are informative but they don't paint the whole picture. Employers who engage a non-traditional workforce also benefit from the intangibles these workers contribute to the workplace. These include things like their depth and breadth of experience in hard and soft skills, their ability to work with a variety of managing styles, how they blend into existing teams or are able to work with autonomy and little supervision.

top five attributes of agile workers



save money, improve performance

While the perception exists that a flexible staffing model increases costs and impedes productivity, in fact the opposite is true. Employers who already use non-traditional workers do so specifically because in their organizations, a flexible staffing model reduces costs and improves operational performance. These employers find that flexible recruitment speeds up their hiring processes; they get the workers they need faster and can hire specific, as-needed talent for a range of local offices or business units. Many employers use a staffing/recruitment partner to source candidates and manage the hiring process. These partnerships go a long way to reduce risk and manage employment compliance processes, including the regulations associated with hiring non-traditional workers.

primary reasons why organizations utilize a flexible staffing model



reduce costs



improve corporate performance





staff up or down

Employers who use a flexible workforce model say their greatest benefit is the agility that comes from being able to staff up or down in response to variables like changing industry trends, seasonal demands and increased technological impact to processes. These are the employers who are best positioned to address a shortage of talent in the coming years as the Baby Boomer generation retires, and as more young workers opt for non-traditional employment. Because of their agility, these organizations will be well equipped to source talent globally – identified as a more critical motivator for companies with a larger workforce competing in a global market.

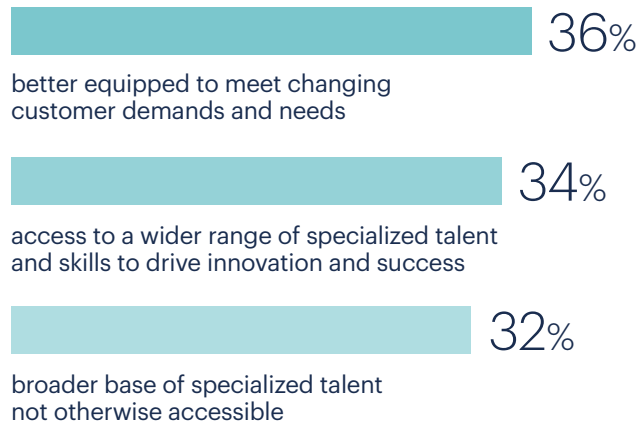
reasons for building an agile workforce



benefit from highly skilled talent

The top benefits resulting from having an agile workforce model are the ability for organizations to meet and respond quickly to changing customer demands, and access to a wider range of specialized talent and skills – drivers of innovation and success. A variable workforce allows employers to engage specialized talent they may not have had access to otherwise, widening the talent pool to include local, global and remote/virtual workers. Such targeted hiring delivers the greatest ROI.

top benefits of an agile work model



why do some organizations resist?

We've identified several benefits of an agile workforce as experienced by employers who already engage in the practice. How do non-users perceive the model? What are their reasons for not having non-traditional employees?

Employers who don't use non-traditional workers are most likely to assume they cost too much to hire and, by the very nature of their employment model, are less likely to be loyal to the company. Many voice concerns over risks associated with worker classification/compliance issues. Still others fear a lack of understanding on the part of the non-traditional worker of company culture. In many of these organizations, senior leadership doesn't see the value in a variable workforce. Interestingly, companies that have implemented variable staffing initially voiced the same concerns over perceived disadvantages as their non-user colleagues. And statistically, they've found the benefits belie the misconceptions.

find your balance

The right mix of traditional and flexible staffing exists for you; with it, your organization will enjoy the benefits and flexibility of staffing up and down as needed, proactively, instead of reactively. In the second of this two-part series, we'll talk about how you can prepare your organization for change and make recommendations for how to adopt an agile workforce.

By 2025, it's likely you won't have a choice; you'll need an agile workforce to cope with the coming talent shortage. Workers and job seekers already know it; many have already made the switch to non-traditional employment, while many more are considering and preparing for it.

Technology has made the world increasingly smaller. Globalization will require those organizations that want to grow and remain competitive to build an agile workforce, enabling them to source talent from around the world.

Be one of them.



about the study

The Workforce 2025 study was conducted by Research Now on behalf of Randstad Canada between July 27th, 2016 and August 29th, 2016. A total of 1,799 surveys were completed online, including a total of 1,295 surveys among employees and 504 surveys among employers.

The sample for this study targeted employed Canadians. Statistical margins of error are not applicable to online polls, however an unweighted probability sample of this size, with a 100% response rate, would have an estimated margin of error of ± 2.6 percentage points, 19 times out of 20, had the entire population of employed adults in Canada been polled. For the population of employees, the credibility interval is ± 3.1 percentage points; for the population of employers, the credibility interval is ± 5.0 percentage points.

about Randstad

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