



The Role of Contingent Workers in Workforce Strategy:

Global Key Findings



Manpower surveyed more than 41,000 employers in 35 countries and territories to learn more about the current role of contingent workers in workforce strategy among organizations. For the purpose of this survey, we define “contingent workers” as the non-permanent members of an organization’s workforce, such as consultants, contractors (generally higher skilled specialty roles), outsourced workers and temporary employees (generally lower skilled general roles).

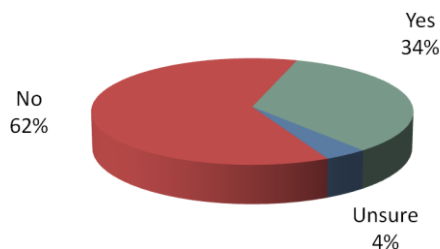
The results reveal that the majority of employers (over six in 10) surveyed worldwide do not view contingent workers as being key to their organization’s workforce strategy. However, a significant 34 percent of employers did respond that this segment of their workforce was, in fact, an important piece of their overall strategy. Manpower believes that over time, as companies emerge from this recession and ultimately recover, contingent workers will play an ever more strategic role in employers’ workforce strategy. Yet our findings suggest that organizations could do more to ensure that their contingent employees perform at the highest levels.

**Manpower defines contingent workers as the non-permanent employees at an organization, such as temporary employees, outsourced workers, contractors and consultants.*

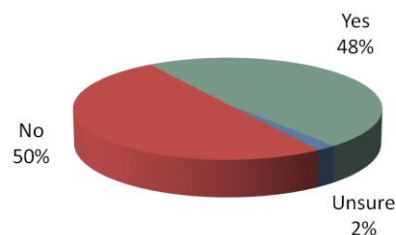
Role of Contingent Workers in Workforce Strategy

Do you view the use of contingent workers as a key element of workforce strategy? (Contingent workers being non-permanent workers such as temporary employees, outsourced workers, contractors and consultants).

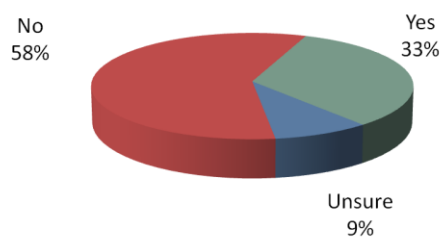
Global



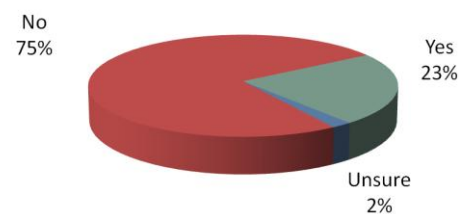
Americas



Asia Pacific



EMEA



Among the more than 41,000 employers surveyed worldwide, 62% of employers said they did not view contingent workers as a key element of their workforce strategy. On the other hand, 34% did view this segment of their workforce as key; 4% were unsure. A regional comparison reveals employers in the Americas (48%) most felt contingent workers were key to their workforce strategy, followed by those in the Asia Pacific (33%) and Europe, Middle East and Africa (EMEA) (23%) regions. In contrast, EMEA employers (75%) most often indicated they did not believe contingent workers to be a critical element of their strategy, followed by those in the Asia Pacific (58%) and the Americas (50%) regions.

Americas

In the Americas region, results from more than 13,000 employers surveyed show that employers here, more than any other region, most often consider non-permanent workers as being key to workforce strategy. Results from Peru (60%), Mexico (60%) Colombia (54%) and Argentina (49%) were above the regional average of 48%. On the other hand, employers in Brazil (67%), Canada (65%), the U.S. (57%), Costa Rica (53%) and Guatemala (51%) most often said contingent workers were not a key part of their workforce strategy. Five percent of Canadian employers were unsure.

Asia Pacific

Of the nearly 12,000 employers interviewed in the Asia Pacific region, Japanese employers (72%) most view contingent workers as integral to their workforce strategy. This is also the most positive response within the 35 countries and territories surveyed. Employers from Australia (48%) also post responses higher than the regional average of 33%. Notably, none of the Indian employers interviewed believe contingent workers are a key part of their workforce strategy, revealing a clear cultural bias for “permanent” workers. Within the region, employers in India (95%), Singapore (64%) and Taiwan (61%) are least likely to recognize contingent workers as a key part of their workforce strategy and only results from India (0%) and China (24%) are below the regional average of 33%. A surprising number of employers in China (17%) and Japan (16%) are unsure on this point.

EMEA

Over 16,000 employers are interviewed in the EMEA region. In general, employers hold a less strategic view about contingent labor than did their global counterparts. Employers in Hungary (38%) most often respond that contingent workers are a key element of their workforce strategy. In addition, employers in S. Africa (35%), Romania (35%) and Spain (32%) also post results above the regional average of 23%. In contrast, employers in Poland (87%), France (82%), Germany (81%) and the Czech Republic (81%) hold a less strategic view about the use of contingent labor than do others within their region. Only India has a greater percentage of employers responding “no.”

Primary Reason for Using Contingent Labor

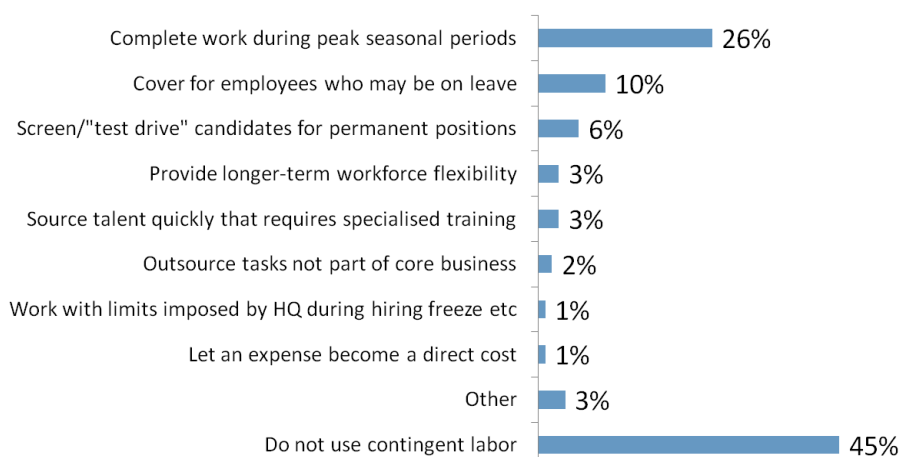
Of the following choices, what is the primary reason that your organization uses contingent labor?

Global



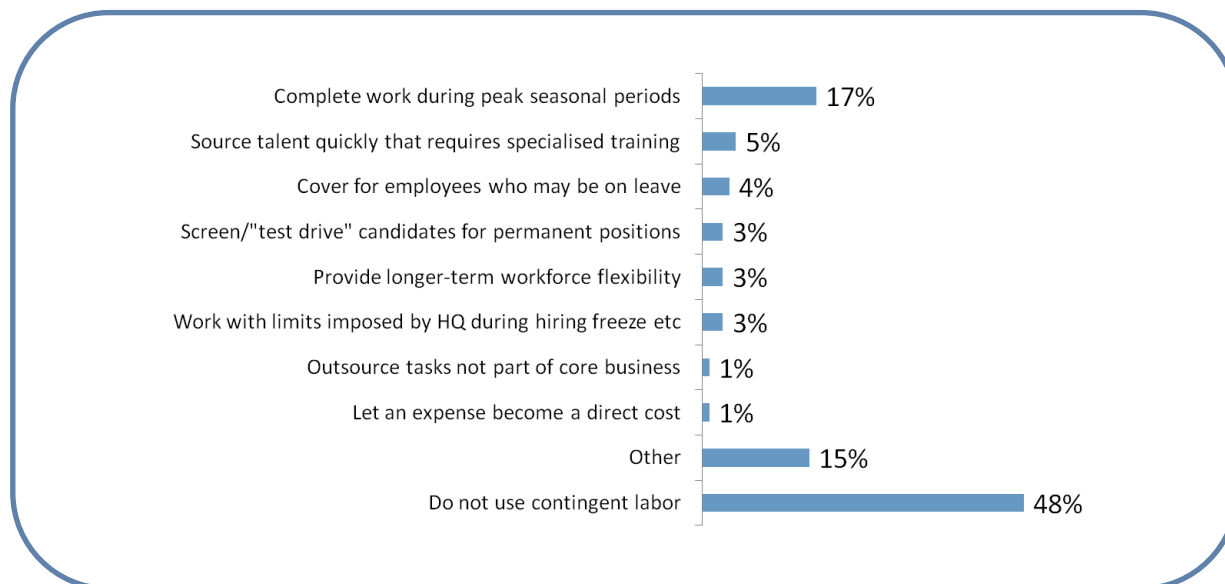
Our research shows that worldwide, the most prevalent use of contingent labor by employers today is to get work done during peak seasonal periods – nearly one in five. This is no surprise as employment services firms have long billed their services as a stop gap to meeting the peak seasonal demands to business. This response is most prevalent in the Restaurants & Hotels and Agriculture/Hunting/Forestry/Fishing industry sectors in the EMEA region and in the Construction and Manufacturing industry sectors in the Americas region. The next most cited usage of contingent labor is to cover for employees who may be on leave, such as maternity/paternity leave, extended sick leave, and so forth. Similarly, employers find using contingent workers is an effective way to screen or “test drive” candidates for permanent positions within their organizations. The next most cited usage of contingent workers is to source talent quickly that requires specialized training, such as project managers, accountants, engineers, IT professionals, etc., that an organization might not have readily in their internal talent pool.

Americas



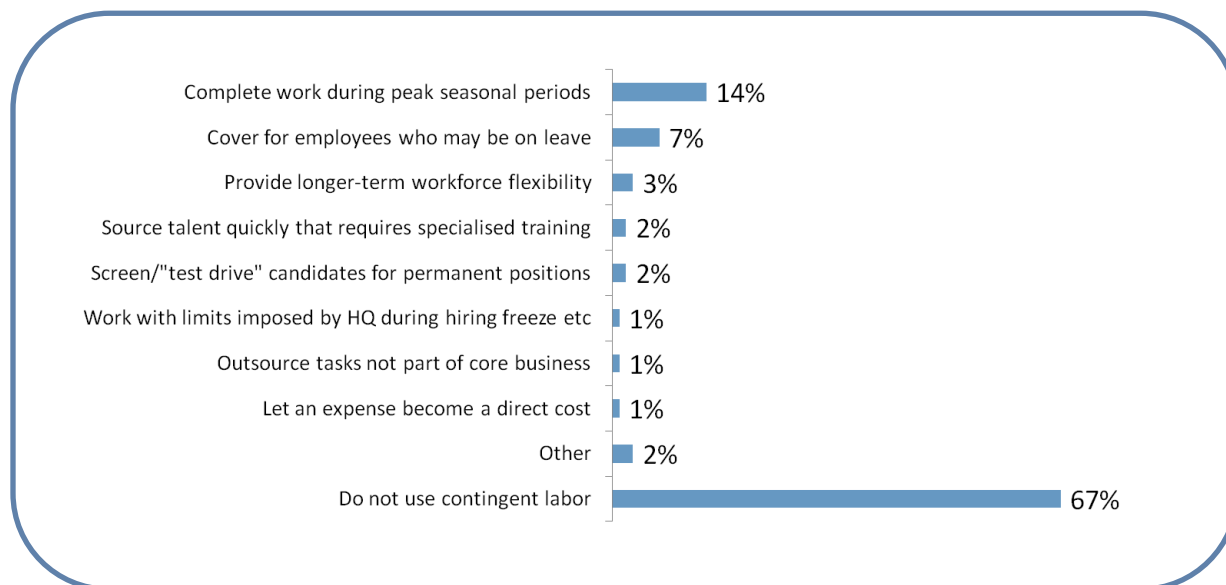
In the Americas, the occurrence of employers using contingent labor to get work done during peak seasonal periods increases to 26% – the highest of any region in the survey. For countries located in the northern hemisphere, climate certainly plays a strong factor in industry sectors such as Construction and Agriculture, where more work gets completed during periods of better weather. The next most cited reason to use contingent labor is to cover for employees who may be on leave (10%) which is slightly above the global average of 7%. In addition, the practice of hiring employees on a temporary basis to test them prior to hiring them full-time is also more common in this region at 6%. Using contingent workers to provide longer-term workforce flexibility and to source talent quickly that requires specialized training were the next most common applications of contingent labor in the region, both at 3%. Employers indicating they did not use contingent labor totaled 45%, well below the global average. Three percent cite “other” reasons.

Asia Pacific



Like their counterparts in the Americas, employers across Asia Pacific (17%) most often utilize contingent labor to complete work during peak seasons. This result is slightly below the global average of 19%. Notably, the second most cited application of contingent workers is to quickly source specialized talent (5%), which was two percentage points above the global average and the highest of the three regions surveyed. The next most common usages of contingent labor in the region are to cover for employees who may be on leave (4%); to screen candidates for permanent positions (3%); provide longer-term workforce flexibility (3%); and to work with limits imposed by HQ during hiring freezes (3%). Outsourcing non-core business functions (1%) is one of the least common uses of contingent workers by Asia Pacific employers. Employers indicating they did not use contingent labor totaled 48%, six percentage points below the global average. Fifteen percent cite “other” reasons.

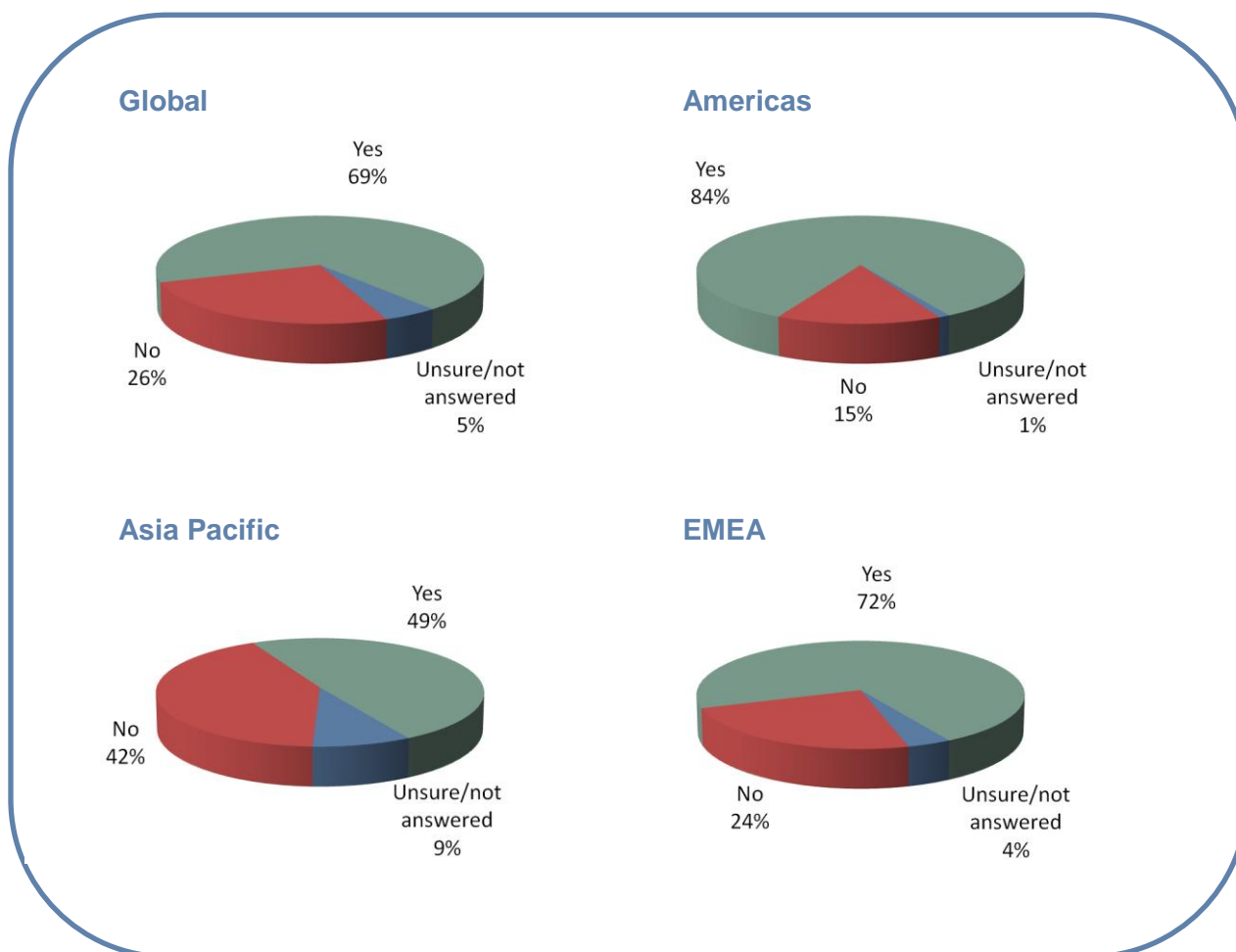
EMEA



Among employers in the EMEA region, as is the case in the other regions, the application of contingent labor to get work done during peak seasonal periods (14%) is the most commonly cited usage. However, European employers' usage for this reason is well below that of their counterparts in the Americas and in Asia Pacific. Just as employers report in the Americas, covering for employees who might be on leave (7%) is the next most common reason employers use contingent workers. Three percent of EMEA employers report contingent workers providing the benefit of longer-term workforce flexibility. Sourcing specialized talent quickly and screening candidates for permanent positions are the next most common applications of contingent labor in the region, both at 2%. Employers indicating they do not use contingent labor totaled 67%, 13 percentage points above the global average. Two percent cite "other" reasons.

Induction and Assimilation of Contingent Workers

Are the contingent employees who work for your organization exposed to the same induction or assimilation processes as the permanent employees? (Contingent employees being non-permanent workers such as temporary employees, outsourced workers, contractors and consultants).



Globally, 69% of businesses utilizing contingent workers as part of their workforce strategy report that these employees are exposed to the same induction and assimilation processes as their permanent employees. This is a positive finding, as non-permanent employees – like their permanent counterparts – also need training to understand an organization's mission, vision and values, thereby increasing engagement levels and the likelihood that they fully contribute to the workforce. On the other hand, 26% of employers say they do not provide the same induction procedures and 5% are unsure. Employers in the Americas (84%) most often say induction and assimilation processes are the same, followed by those in EMEA (72%) – both above the global average of 69%. In contrast, results from Asia Pacific employers are 20 percentage points weaker than the average and most often do not have the same induction and assimilation processes for their contingent workers.

Americas

The survey data reveals that employers in the Americas (84%), more than any other region surveyed, most often provide their non-permanent workforce with the same induction and assimilation processes as permanent employees. Notably, results from each country in the region

are above the global average. Employers most likely to offer the same induction processes are those in Mexico (90%), Costa Rica (88%), Argentina (87%) and Brazil (87%). In contrast, employers in the United States (27%) and Canada (24%) are least likely to offer the same processes to their non-permanent workforce. Just 2% of employers in the region were unsure about their onboarding procedures.

Asia Pacific

Employers across the Asia Pacific region (49%) are the least likely to offer contingent staff the same induction procedures. In fact, only results from China (71%) are above the global average. Similarly, employers in Taiwan (69%) are also more prone to including contingent workers in the same assimilation processes as their permanent employees. On the other hand, employers in Hong Kong (62%), New Zealand (62%) and Japan (51%) are least likely in the region to offer the same processes to their non-permanent workforce. Interestingly, 9% of employers in the region are unsure about their induction practices, the highest of the three regions surveyed.

EMEA

In the EMEA region, results from nine of 18 countries are above the global average: Spain (97%), Italy (95%), Romania (84%), Ireland (83%), Greece (80%), Austria (79%), Poland (79%), UK (76%) and Germany (73%). This finding is surprising, considering that based on Question 1 of this study, employers in this region generally hold a less strategic view about contingent labor. The results from Spain are 28 percentage points stronger than the global average and the most positive of the 35 countries and territories surveyed. Conversely, employers in the Czech Republic (49%), Hungary (43%) and Sweden (40%) are the least likely to provide the same induction processes to both permanent and contingent workers. Most unsure about induction and assimilation processes for contingent workers are Norwegian employers at 10%, seven percentage points above the average for the region.

These findings were originally highlighted in a Manpower World of Work Insight paper titled, Rules of Engagement: Harnessing the Potential of the Contingent Workforce, which can be downloaded at www.manpower.com/researchcenter.

The World of Work Experts

Manpower develops research tools and reports to lend insight into labor market issues and trends around the world. Some of these include:

- **Quarterly Manpower Employment Outlook Survey**
- **Annual Talent Shortage Survey**
- **Borderless Workforce Survey**

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