



4 Pandemic Workforce Trends That Are Here to Stay



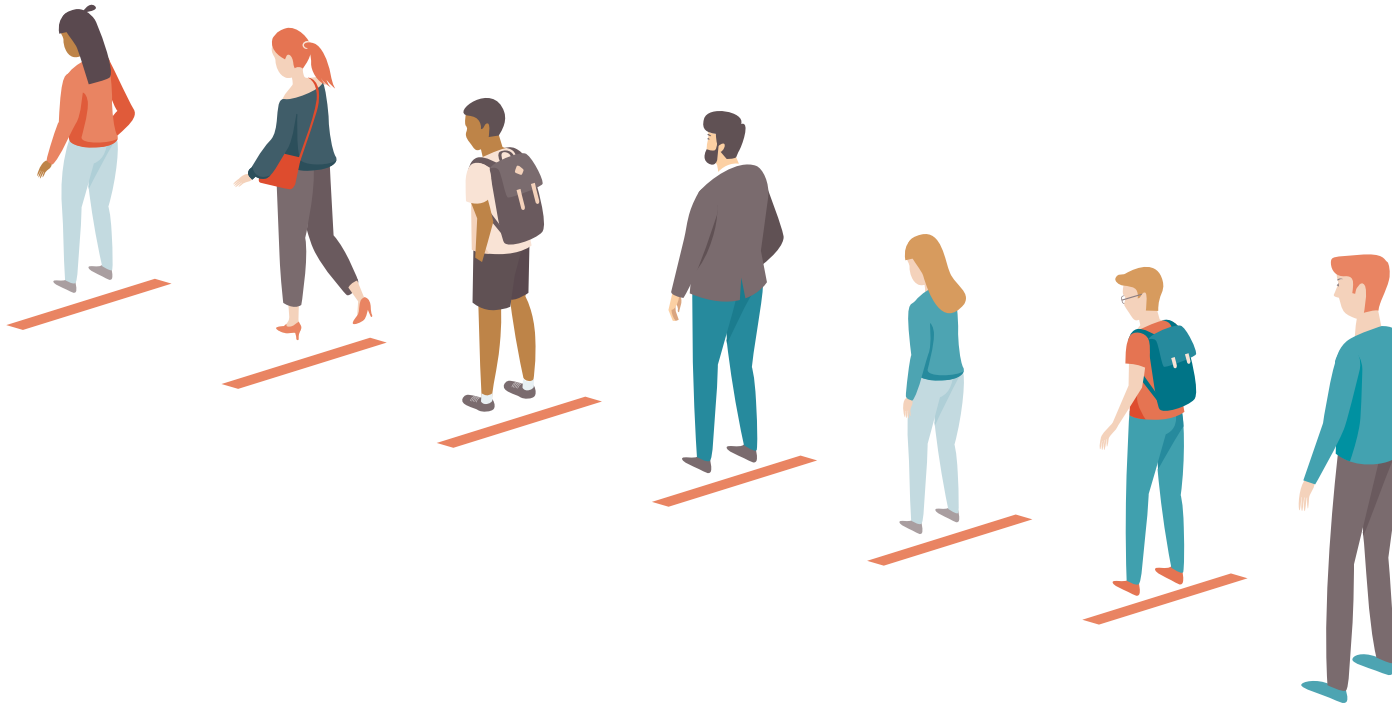
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INTRODUCTION

As we round the corner of the COVID-19 pandemic it's hard to believe what the world looked like in early March of 2020. Most of us were waking up early every day, getting ready, and making the commute into our place of work. We sat face to face, collaborating in conference rooms and offices, and worked crowded hospital wards, showrooms, and plant floors. It's safe to say that the human capital management space was changed for good.

As we return to something approaching normal working conditions, it will make sense for us to reflect on the ways in which work has changed forever. In this piece we put on our forward-looking glasses and take a peek at what trends are here to stay—at least, until we're forced to evolve yet again.



1) INCREASING USE OF NEW TECHNOLOGY

The early pandemic forced us to evaluate how we work and determine if it really is the best way. Many companies introduced new technologies to streamline processes and create efficiencies. This went beyond using video meeting platforms for conference calls and virtual happy hours. Depending on your organization, you may have implemented:

- Telehealth technology to keep people healthy at home
- Artificial intelligence to make decisions that reduced the density of high-contact work environments like warehouses and manufacturing plants
- Scheduling technology to allow more flexibility and oversight of who is working when
- Office hoteling tech to control the number of people in the office at any given time

To match the fast-paced world of talent management, many organizations added technologies to the hiring and onboarding process. This helped them make sure the right talent was selected and managed efficiently. The pandemic opened the eyes of those not already bought into the HCM technology space, driving quick adoption. This was especially [evident in the mid-market spaces](#) for contingent workforce-focused vendor management technology.

While the adoption of this type of technology may have been spurred by the pandemic, these technologies are here to stay. The pandemic was eye-opening with regards to automating otherwise very manual processes. As the pandemic subsides we don't foresee the end of businesses adopting this technology. This is because efficiencies gained by implementing them helped organizations drive greater productivity.



2) PUTTING EMPLOYEES FIRST

While mental health and employee experience have always been a topic of discussion, there has definitely been an increased emphasis on mental well-being since 2020. With [76% of job applicants considering mental health benefits](#) as part of their reason to join an organization it has become imperative to focus on the well being of the workforce. In a survey by ABC News, [98% of the 500 companies surveyed plan to increase mental health resources to their employees](#). The pandemic has forced organizations to evaluate how they contribute to day-to-day stressors for their workforce.

In addition to the emphasis on mental health, organizations have come to understand that employees can work at home five days a week while remaining productive. Employers are discovering that to be competitive, they need to adapt to how their employees want to work. While some people enjoy being in the office, many would prefer to work at home all or most of the time. A Business Insider study found that [40% of employees are willing to leave their current job for a job that will allow them to work remotely](#).

This is the same for both the contingent and full-time workforces. In reality, the work from home experience is better for both employer and employee.



For the employee, working from home means:

- Freedom to set their working schedule
- Saving time and money by eliminating their commute
- Not always having to be “on”, alleviating stress and anxiety
- A greater sense of belonging for minority groups, who feel better able to be themselves in their own homes

Employers benefit from the working from home arrangement because of:

- Money and resources saved by not having to pay for large workspaces
- Expanded talent options via a global talent pool
- Greater overall workforce productivity

The pandemic showed us that it’s okay to be vulnerable and take our mental health seriously. This created a longer-term effect that has helped to reduce some of the stigma that has surrounded mental health issues.

It seemed likely that, once barriers between work and personal life were removed and people weren’t allowed to leave their homes, there would be increase in mental health issues. However, everyone adapted how they worked, and we’re all better off for it. Now work from home has become the norm and it’s almost a requirement for some workers who have become accustomed to its benefits.



3) COMBATTING LABOR SHORTAGES

Even prior to 2020 every conference ebook or webinar talked about the war for talent. Labor markets were tight, unemployment was low and [generational shifts were having a huge impact on the market](#). Take all those factors, put them in a pressure cooker, and that's where we are now. The labor shortages we all see and feel come from a variety of different factors that won't change in the near term. This includes:

- The loss of workers laid off during the pandemic who have subsequently shifted their skill sets and found other, more fulfilling roles
- The acceleration of retirements as a result of the pandemic, and the creation of skills gaps arising from a generation leaving the workforce
- A super-competitive labor market reducing talent affordability for mid-market and smaller organizations
- An increase in vacant full-time positions as a result of the shift to flexible working as the desired mode of work

The pandemic has had a swift and lasting impact on available talent so organizations are having to get creative—and more importantly, strategic—on how they find and recruit the best candidates.



Two of the best recruiting methods used during the pandemic included internal mobility and the implementation of a referral network. While these have traditionally been used in the full-time space for some time, during the pandemic they also became widely used for the contingent workforce. Internal talent provides a mutual benefit of career growth as well as reduced ramp-up times, and [referred employees stay approximately 70% longer](#) than non-referred employees, decreasing overall turnover.

Another avenue that has grown in popularity in the contingent space is the use of direct sourcing alongside the vendor population, expanding the reach of temporary open positions. Organizations chose to leverage their brand, job boards, and career sites to attract contingent labor directly to their organization.

The competitive labor market is driving organizations to reassess their compensation compared to the rest of the market as well. We've all heard the term the "Great Resignation" and while, yes, some people may be leaving for perks and flexible work arrangements, many are getting offers from companies offering anything from 10% to even 50% above what they're making today. Both contingent and full-time staff compensation needs to be evaluated when sourcing and securing top talent.

Another change that we've seen in the past couple of years is the change from position-based hiring to skill-based hiring. What is skill-based hiring? Skill-based hiring is a hiring approach that takes candidates' practical skills and past performance into greater consideration than their formal qualifications. The cost of higher education and formalized training has increased greatly over time, making people question the value of a four-year degree. By considering candidates who have demonstrated success without a degree, organizations can greatly increase their chances of finding a qualified candidate, especially when hiring for mid- and lower-level positions.



4) INCREASED USE OF CONTINGENT LABOR

Contingent labor usage has been on the rise since the 2008 recession. However, usage has skyrocketed now the economy is beginning to recover from the pandemic. Just as in 2008, contingent workers were the first to be removed when the pandemic hit—but they were also the first to be added back as soon as organizations were in a position to rebuild (while not being ready to commit to full-time hires).

The difference between 2008 and 2020 is that the pandemic has had a more global impact on the day-to-day life of individuals. The freedom to work from home, or the fear of being in close proximity to others drove people to figure out what works best for them when it comes to their next steps in their career. As a result, some organizations created alumni networks of talent that retired during the pandemic but are willing to consult on an ad-hoc basis. Similarly, in the healthcare industry, there was an increased number of travel nurses or “per diem” workers, in order to flex up and down to meet demand.

Overall, organizations were able to work with more agility by increasing their usage of gig workers. They were better able to:

- Hire up and down for projects
- Hire contractors for vertical expertise
- Outsource their human resources, finance, marketing, and development departments to third party contractors
- Leverage the gig workforce for work as it arises (ex. Graphic designers, UX experts)

The contingent workforce has become the ramp-up method of choice to quickly grow organizations. The shift from in-office to remote work also allows for quicker staffing of contingent workers to onboard and get them up to speed without having to set them up in an office if needed. By having pre-identified and fully-vetted talent in your [talent pipeline](#) you can also save time on shift-based jobs like nursing or manufacturing roles. Another reason why the contingent workforce is definitely here to stay post-pandemic.



CONCLUSION

Whether you work in a corporate environment, in a hospital, or on the plant floor the pandemic has forever changed how we work. Things that may have seemed difficult in the beginning have been adapted to, and the need to change how we work has made improvements in areas like mental health, efficiency, combatting labor shortages, and hiring beyond the traditional worker type. Only time will tell how many other changes we may see in the human capital space from such a world-changing event.

Want to learn more about how VectorVMS can help you navigate your contingent workforce management in a post-COVID world? Check out our webcast in partnership with HCI, [‘4 Pandemic Workforce Trends That Are Here to Stay.’](#)



VectorVMS combines innovative, trusted technology with in-depth industry expertise to create specialized contingent workforce programs. Our configurable platform enables organizations to have full visibility into their contingent labor programs, giving them the confidence to maintain compliance, reduce costs and drive efficiency in their extended workforce.

We work closely with clients and partners—drawing on 175+ years of collective experience to combine the right people, process, and technology to design and implement best-fit vendor management solutions.

VectorVMS delivery models are the most flexible in the industry. We empower clients to manage strategic sourcing entirely in-house or through one of our many trusted managed service providers (MSPs). Plus, with our Shared Managed Services (SMS) program, we augment client resources with a team of experienced program managers who provide operational support, white-glove service, and advice on industry best practices.

A part of [Learning Technologies Group plc \(LTG\)](#), VectorVMS also powers a total talent ecosystem that gives clients a holistic view of their contingent and full-time workforce.

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