

THE BIG TRENDS SHAPING WORKFORCE MANAGEMENT IN 2024

Recent findings highlight five key trends driving strategic HR decisions this year. How many have you identified? Check all that apply and then use the insights to brainstorm new ideas and strategies.



1. Increasing Use of Extended Workforce

In 2023, 80% of global company leaders used contingent workers, with 65% planning to increase their utilization within two years.¹

Projections indicate contingent workforce participation will reach 34% globally and 16% in the U.S. by 2024.²

2. Adoption of HR Technologies and Approaches

There's been a noticeable increase in the use of:

Vendor Management Systems (VMSs):

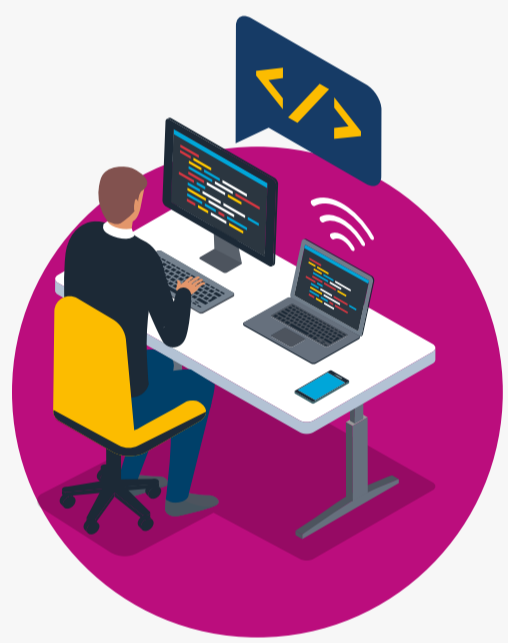
- Adoption rates among large companies rose from 50% in 2009 to 79% in 2023.³

Direct Sourcing:

- In 2022, 84% of large organizations had direct sourcing programs or planned to explore them within two years.⁴ In 2023, an MSP survey confirmed sustained buyer interest in this approach.⁵

Employee Scheduling and Time-Tracking:

- As VMS providers, we can attest to the significant buzz surrounding these tools in the HR tech space, evidenced by the increasing number of requests we've received to integrate them.



3. Rise in AI-Powered Tools

Gartner's 2023 survey found that 81% of HR leaders have explored or implemented AI solutions to improve efficiency.⁶ Another survey anticipates replacing 39% of staffing tasks with AI within three years.

This adoption is mainly seen in:

- Candidate screening and skills assessment
- Matching and selection
- Redeployment⁷

4. Skills-Based Hiring

A 2024 study by Harvard and Burning Glass Institute finds skills-based hiring is on the rise, with employers valuing skills assessments over degrees. The report suggests that this trend will likely continue to grow.⁸



5. Emphasis on DEI Initiatives

In 2023, 58% of HR leaders noted their companies prioritized DEI more than in previous years, with 65% stating their DEI budgets had increased.⁹ MSPs reported clients seeking diversity enhancements in both their supplier base and contingent workforce.⁵

1. Staffing Industry Analysts. (Aug 2023). '65% of companies say they plan to increase use of contingent workers.'
 2. Khan, S. (Sep 2023). 'The contingent workforce is about to skyrocket — here's what you need to know.' Eightfold.
 3. Staffing Industry Analysts. (Nov 2023). 'VMS Global Landscape Summary 2023.'
 4. Staffing Industry Analysts. (Jun 2022). 'Workforce Solutions Buyer Survey: 2022 Americas Results.'
 5. Staffing Industry Analysts. (Nov 2023). 'MSP Global Landscape Summary 2023.'
 6. Gartner. (Nov 2023). 'HR Leaders Monthly Magazine.'
 7. Staffing Industry Analysts. (Nov 2023). 'The Coming Disruption: How the Staffing Industry Can Prepare for the AI Revolution.'
 8. The Burning Glass Institute & Harvard Business School. (Feb 2024). 'Skills-Based Hiring: The Long Road from Pronouncements to Practice.'
 9. Westfall, B. (Sep 2023). 'Actually, 2023 Has Been A Great Year for DEI Programs.' Capterra.

These trends form part of a larger ebook, ['The Top 5 Macro Trends Driving Workforce Management in 2024.'](#) Download it and other valuable insights from vectorvms.com/resources.