Quick Answer: How Can I Modernize My Contingent Workforce Technology Strategy?

Changes in how people work and rising demand for contingent labor have organizations evolving their strategies to fill open roles with the right talent. Application leaders supporting HCM technology transformation can use emerging technologies to innovate how they hire and manage contingent workers.

Quick Answer

How can I modernize my contingent workforce technology strategy?

- Build a private talent pool of former employees and contractors using your HR system and vendor management system (VMS).
- Tap into freelancer management systems and public talent pools to identify additional top talent for complex or highly sought-after skills.
- Incorporate freelancer management platform aggregators into your strategy for managing spend and enabling hiring from multiple specialized talent pools and platforms, thereby supporting a variety of enterprise talent requirements.
- Embrace newly emerging talent exchanges to quickly staff up during times of higher demand, while sharing talent with other organizations during lower demand periods.
- Invest in artificial intelligence (AI)-driven skills management to categorize known workers by competencies. Use internal talent marketplaces and shift to a skill-based hiring process instead of one based on job history.
More Detail

As the economy adjusts from the impacts of the COVID-19 pandemic, job creation has increased. However, uncertain market dynamics and fear of an economic slowdown can increase the perceived risk of hiring more permanent employees.

Worker expectations have also evolved. Recent Gartner studies show that millennials and Gen Z are already more inclined to seek gig work, desiring better work-life balance and skill development. The shift to remote work also has affected both workers and businesses seeking talent.

To futureproof your contingent talent strategy, application leaders must embrace new ways to finding, hiring and managing talent using these technology platforms (see Figure 1):

- **Private talent pool**: Start to build your own talent pool of known resources based on their skills, performance and other key criteria. This will be an alternative to traditional staffing supplier candidate processes and may allow you to engage directly with an individual for upcoming roles. Use your existing technology to track talent where you have a known relationship. Examples include: your HR system (though watch for cost) and VMS solutions like Beeline or SAP Fieldglass.

- **Freelancer management systems/public talent pools**: The market for freelancer management systems (FMS) continues to grow, including many vendors that specialize in specific domains, skills and regions. Find the appropriate FMS talent pools for different groups or upcoming roles planned for hiring. A robust program will engage with many different FMS providers, so it’s important to build processes around engaging with these talent sources. There is little cost impact to having multiple sources, so start small and expand over time as needed. Examples include Field Nation, Upwork and WorkMarket.

- **Freelancer platform aggregators**: Business leaders seeking freelancers to complete specific work are faced with many different domain-specific freelancer platforms. Leaders may also have the option to hire through managed services providers supporting staff augmentation hiring. Solutions are emerging to aggregate access to multiple freelancer platforms, in addition to the VMS solutions used by managed service providers. Business leaders manage their total talent spend and can source talent from multiple public and enterprise managed talent pools. One example of such a solution is Stoke Talent.
- **Talent exchanges:** Shared talent exchanges emerged during the pandemic as a way of identifying opportunities for workers that an organization can no longer employ. This type of model also works well for typical industry seasonality and can be applied to all types of workers. One example of a vendor with talent exchange capabilities is Eightfold AI.

- **Internal talent marketplaces:** Consider leveraging an internal talent marketplace to simultaneously manage both internal and external resources, giving you the ability to choose the right skills for a given work opportunity, rather than focusing on the job title. While most of the talent in this marketplace is your existing talent, innovate by flagging and including contingent workers in your “known” network. Building a private talent pool would be a prerequisite to incorporating external workers into this concept (see Innovation Insight for Internal Talent Marketplaces).

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**Figure 1. Talent Marketplace Opportunities**

**Talent Marketplace Opportunities**

- **Talent Marketplace:** Skills and competencies matched to learning and work opportunities
- **Private Talent Pools:** Contingent workers with established relationships with your enterprise
- **Public Talent Pools:**
  - Freelancer marketplaces
  - Talent from managed service providers
  - Contingent worker/freelancer platform aggregators

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