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## Tapping into alternate talent pools: The power and potential of a contingent workforce



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talent models to bridge the skills gap. The on-demand workforce is one such channel which offers strategic benefits by diversifying and growing the talent pool.

*The gig economy is expected to reach \$455.63 billion by 2030.*

— Transformative Trends Shaping the Gig Economy<sup>4</sup>

This is not limited to the global outlook. According to a report by BCG<sup>1</sup>, India's gig economy has the potential to service up to 90 million jobs in India's non-farm economy, transact over USD 250 billion in volume of work, and contribute an incremental ~1.25% to India's GDP over the long term<sup>1</sup>. What can prove a game-changer for enterprises, is that skilled and semi-skilled jobs will factor in around 35 million across industry sectors. The [gig economy](#) is therefore, a must-explore arena.

## Why build an on-demand workforce?

The ever-changing macroeconomic and business landscape is constantly shaping the 'Future of Work'. In today's knowledge economy, where people are the primary resource, organizations must expand their talent sources to build a future-forward business. Here is how an [on-demand workforce](#) can help:

- **To attract and engage younger talent:** At the talent end, a younger generation is looking for work led with meaning, purpose, autonomy and freedom. With such changing work preferences, organizations will continue to experiment with flexible ways of working even post the pandemic. In fact, flexible work arrangements may also be a potent recruitment strategy<sup>11</sup>.
- **To bridge the skill-gap on needs-basis:** According to a WEF report<sup>12</sup>, 60% of companies highlight the difficulty in bridging skills gaps locally and 53% identify their inability to attract talent as the main barriers to transforming their business. Considering that 44% of peoples' skills will be disrupted in the next five years, specialized gig talent can help build an on-demand skills repository for new-age skills. Quick ramp-ups and ramp-downs have become an integral part of business life, and on-demand skills can come handy.
- **To build and retain a sustainable skills strategy:** Gig has moved beyond low-skilled and contractual talent, to high-skilled domain-specialists right up to CXO levels. Such high-skilled gig talent benefits from higher income potential, greater flexibility, and better career development opportunities<sup>1</sup>. As more employees choose nonlinear career pathways and as businesses struggle to get the right talent through traditional hiring strategies<sup>11</sup>, contingent hiring is a win-win for both employer and employee.
- **To foster the DEI agenda:** More than half of the gig workforce will fall within the age group of 28 and 43 years, with the rate of female participation in freelance jobs increasing<sup>4</sup>. This proves that if organizations were to effectively utilize the freelance talent pool, they can foster better diversity and inclusiveness on gender diversity and generational diversity.
- **To drive performance & cost efficiencies:** Crests and troughs are compelling organizations to relook and rethink performance outcomes, speed, costs, and efficiencies in new light. Tapping into diverse talent pools is cost-effective and easily scalable. According to Statista<sup>9</sup>, gig work (in the form of short-term jobs, contracted work, or asset-sharing) will generate \$455 billion in 2023, up 53% from 2020.

Due to above reasons, 24.3% of organizations are looking to "expand the use of contract work" as a skills strategy<sup>12</sup>. Gartner data<sup>10</sup> also strengthens the case for leveraging the contingent-workforce. The 'Future of Work trends, 2023' report outlines that the #4 priority for organizations is the "pursuit of non-traditional candidates to expand talent pipelines". Clearly, the business case for hiring gig talent is strong, the question is how can organizations unleash the potential?

## How to tap into the gig potential?

Despite the positive outlook around the gig economy, it is in nascent stages, and challenges abound. From a talent perspective, income volatility, lack of social security and traditional benefits like health insurance, retires, paid leave, limited job security and career progression, and adhoc regulatory frameworks are real concerns. These [challenges](#) can be turned to opportunities if organizations develop the expertise to harness this alternative specialised pay-on-demand workforce.

- **Map to the business needs:** Organizations must analyse job roles and identify the kind of contingent workforce suited whether full-time, part-time, project-based, turnkey experts, hourly advisors, or freelancers in any other capacity. Technologies such as AI-based platforms can help match gig skills to business tasks and provide rank-ordered matches. This will help organizations build a contingent workforce strategy.
- **Outline the talent model:** "Should we hire gig workers directly?", "Should we outsource to a partner and hire on their rolls?", "What should be the tech-versus-touch balance in the hiring process?" These are some of the questions HR leaders must answer while designing the contingent workforce hiring strategy.
- **Develop or hire external expertise:** Develop the expertise required to make contingent workforce work. Think through the hiring strategy, contract process, labour law and compliance, regulatory, legal, and beyond. If this is new territory, it is best to rope in [seasoned gig-talent experts](#) to avoid any lapses and repercussions.
- **Modify policy and process:** Hiring on-demand workforce demands a fundamental change in people processes. For example, different talent formats will require different hiring processes, assessment tools, performance management methods, L&D journeys, career paths, etc. A case in point — organizations will need to feel more at ease evaluating candidates only on the skills required to succeed, rather than on their credentials and prior experience, to fill crucial roles<sup>11</sup>.
- **Streamline people operations:** Operational rigour is a must to manage diverse employment models parallelly, hence a platform that offers seamless engagement can help [streamline all aspects of contingent workforce management](#). For example, SolveCube acts as a single point of contact to source, engage, contract, monitor and pay contract employees online.

Making changes requires a fundamental shift in how employers look at talent. Making an on-demand workforce work for one's business is above all, a mindset change.

## The Way Ahead

*An ASSOCHAM report reveals that the gig sector has the potential to grow to US \$455 billion at a CAGR of 17% by 2024.<sup>3</sup>*

First largely explored during COVID times, now the gig way of working is being regarded as an efficient and speedy go-to-market solution by enterprises<sup>3</sup>. It is obvious that the gig economy is bound to grow further considering changing business needs, workforce behaviours, tech transformation, enterprise preferences and benefits that the gig economy offers. The key to make the most of this opportunity is to take informed decisions, using the optimum blend of tech and touch.

[SolveCube](#) uses the power of AI to aggregate, curate, and engage independent domain experts. At the same time, its seasoned team advises and consults on the planning and implementing of one's gig workforce strategy with a business-first approach.

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We would love to discuss how we can partner with you to help you achieve your talent goals!

Click [here](#) to leave a message or email us @ [Clientservice@solvecube.com](mailto:Clientservice@solvecube.com)

Let's connect and converse about capability curation!

## Chandrasekhar Pingali

Chandru Pingali, Founder & Manager Director, SolveCube, is a seasoned HR leader, with a diverse career spanning 30+ years across banking, pharmaceutical, chemical and IT/ITES global centres. He has engaged in different roles across HR and Strategy, setting or scaling captive centres, M&A etc. With SolveCube, he is aiming to revolutionize People Strategy, Advisory & Talent Solutions globally by utilizing deep AI technology.

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