

# Conversations for tomorrow

Quarterly review  
N°2 — 2021

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# Insights from the Capgemini Research Institute

THE FLUID  
WORKFORCE  
REVOLUTION:  
HOW A BLENDED  
WORKFORCE  
STRATEGY IS KEY  
TO SUCCESS IN  
THE AGE OF AI AND  
AUTOMATION

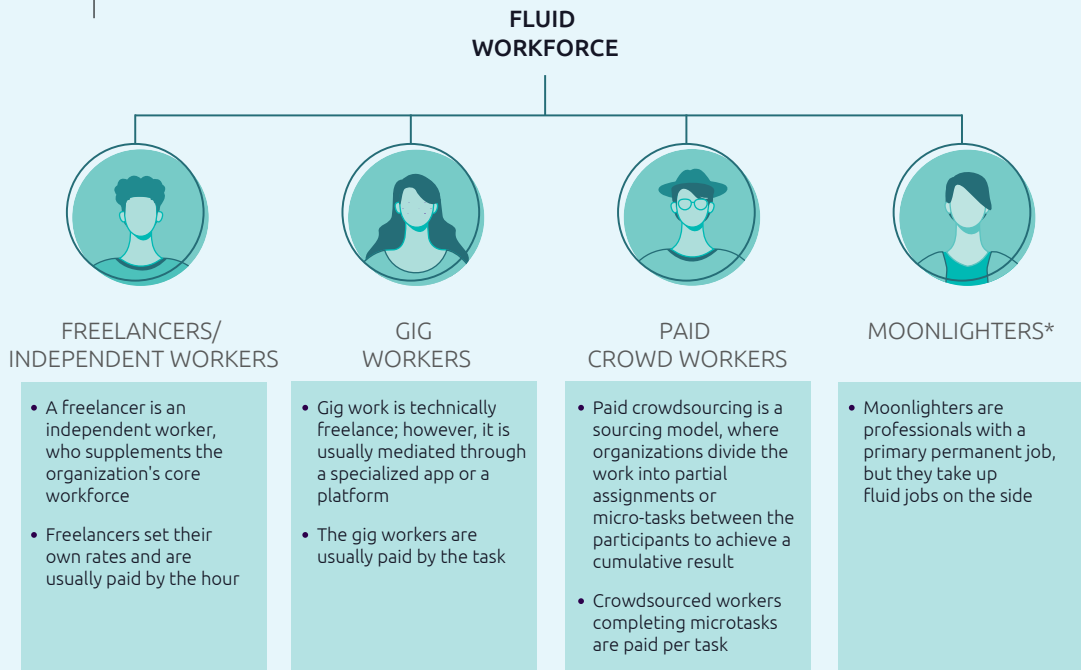
**Rapid digital transformation and a volatile business environment has brought a sea change in the way organizations view talent. This is especially true in the way the workforce is orchestrated, with independent workers, freelancers, gig, and crowdsourced workers becoming increasingly important. We call this population the *fluid workforce*.**

To understand the impact of fluid workforce on organizations, we conducted a survey of 500 executives from organizations using a fluid workforce across different sectors and countries, 4,000 fluid workers holding full-time and part-time fluid jobs in different sectors, and nearly 1,000 permanent employees. We supplemented it with a survey of 250 executives in the May 2020 to understand the impact of COVID-19 on fluid workforce. In addition, we also conducted one-on-one interviews with executives engaging with a fluid workforce.

## Defining the fluid workforce

We define the fluid workforce as freelancers, independent, gig, or paid-crowdsourced workers. In other words, individuals who work on a temporary basis with organizations (either full time or part time) and are not on any employer's payroll. In this research, we do not include subcontractors from outsourcing or consulting organizations (see Figure 1).

Figure 1: Defining the fluid workforce



	FLUID WORKFORCE	PERMANENT EMPLOYEES
<b>Nature of contract</b>	Temporary	Permanent
<b>Type of engagement</b>	Not on the payroll	On the payroll of employer
<b>Regulations</b>	Employment rights and labor laws are currently evolving; varies by country	Structured employment rights and labor laws
<b>Benefits</b>	Limited/No benefits (insurance, gratuity, allowances, etc.)	Benefits such as insurance, gratuity, stock-options, bonus, etc.

Source: Capgemini Research Institute.

## Fluid workers are becoming a core part of the organizational workforce

Our research suggests that organizations have started to see the fluid workforce as a top talent acquisition strategy and not just a short-term skills procurement. Around 68% of the organizations we surveyed say that the fluid workforce has become a crucial part of workforce planning.

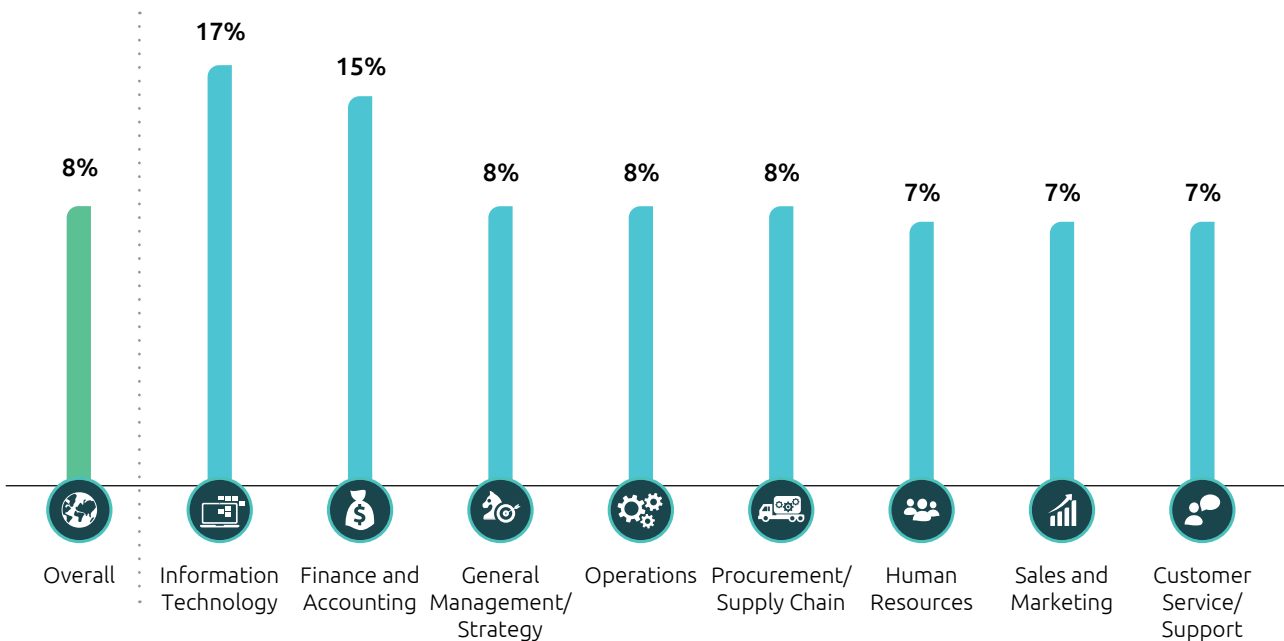
**The fluid workforce approach is mainstream, with four in five organizations using it**

Nearly 80% of the organizations surveyed say that they have used a fluid workforce over the past year. More than one in two organizations say that the number of fluid workers have increased in that period. Overall 70% of all organizations agreed that the current COVID-19 crisis will lead them to hire more fluid workers in the future.

Furthermore, around half of the organizations utilizing a fluid workforce have resorted to them for projects where the specific expertise needed is beyond the capabilities of the existing workforce or where they are unable to find the right talent within the local talent pools.

As Figure 2 shows, the fluid workforce constitutes about 8% of the total workforce in organizations (among the ones who use them). At a functional level, IT is the most enthusiastic adopter (17%), followed by finance and accounting (15%). The demand for new-age skillsets, such as AI/ML/blockchain specialists in IT, and data scientists and transformation experts in finance, are driving the use of the fluid workforce.

**Figure 2: Fluid workforce as a % of workforce in functions**



Source: Capgemini Research Institute Fluid Workforce Research, December 2019, N=389 organizations using fluid workers in the last year.

We estimate that large organizations will deploy nearly 80 million fluid workers in six priority sectors - six major sectors – automotive, retail, consumer products goods, financial services, utilities, and the public sector – representing an increase of 40% from 2019.

## Organizations are plugging critical expertise gaps by using fluid workers in high-skilled roles

### Organizations use fluid workers in a variety of high-skilled job roles across functional areas

Organizations use fluid workers in a range of high-skilled roles across functions, and majority of these roles are being delivered remotely. For instance, of the organizations using a fluid workforce in IT:

- 59% use it for AI/ML-related roles
- 56% use it for agile coaching
- 50% use it to fill blockchain specialist roles.

Also, many organizations rely on fluid workers to boost experimentation and innovation.

### COVID-19 further drives the demand for mid-to-high skilled fluid workforce

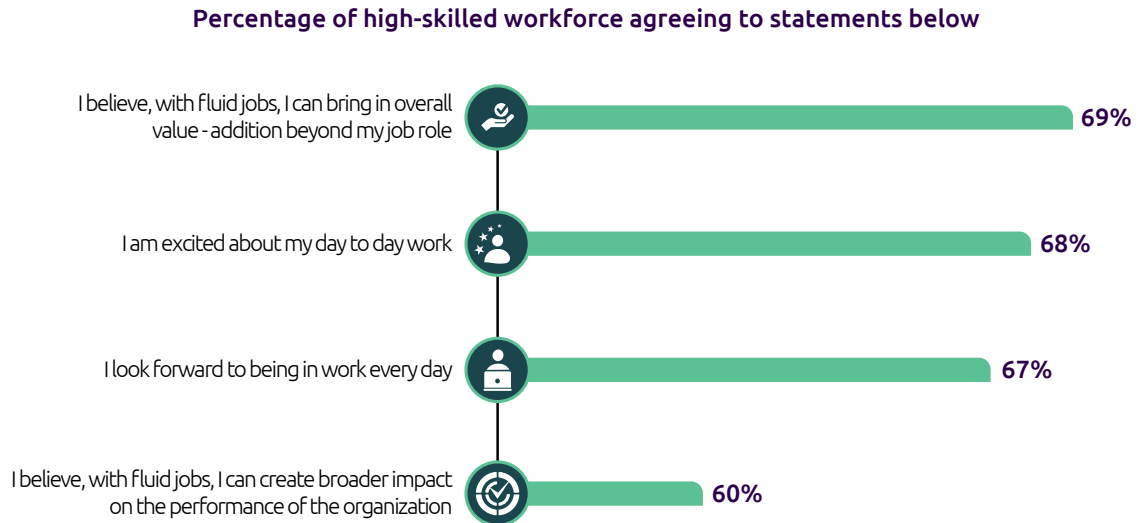
Fifty seven percent of the organizations who are planning to continue using or increase using fluid workforce in the next 12 months, will prefer to use them in mid-to-high skilled roles. They also plan to expand usage of fluid workforce beyond IT and finance and accounting functions to include a wider range.

### High-skilled fluid workforce favor roles that match their skills and offer flexibility; and they find a sense of purpose in fluid roles

When asked about the reasons for preferring fluid work over permanent roles to high-skilled fluid workers, more than half ranked flexibility in timings or place of work among top three factors.

As Figure 3 shows, about 70% of the high-skilled fluid workforce are excited about their day-to-day work and look forward to being in work every day. Likewise, 69% believe that they bring value-addition beyond their job roles and 60% believe that they can create a broader impact on the performance of the organization. Organizations agree, with 72% satisfied with the “self-motivation” levels of fluid workers.

**Figure 3: Extent of motivation and satisfaction: Fluid workforce performing high-skilled job roles**



Source: Capgemini Research Institute Fluid Workforce Research, December 2019, N=3,139 fluid workforce who have taken up high-skilled jobs.

## Organizations fail to provide an experience endearing to the fluid workforce

This research also finds out that currently crucial gaps exist throughout the fluid workforce lifecycle – from recruitment, onboarding, to learning, performance management and catering to sense of belongingness – and this does not match up with the experience they provide to permanent employees today.

### **Organizations have concerns about data security and intellectual property, but they are not managing these concerns in collaboration with fluid workers**

More than 70% of the organizations are concerned that a fluid workforce poses a risk to information security. But many organizations currently lag in adequately sensitizing the fluid workforce on data and cybersecurity issues. Nearly half of fluid workers say that they have never received data or cybersecurity training from their client organizations.



**Just providing briefings about organizational culture and values is not enough – many fluid workers struggle to fit into the culture and feel left out**

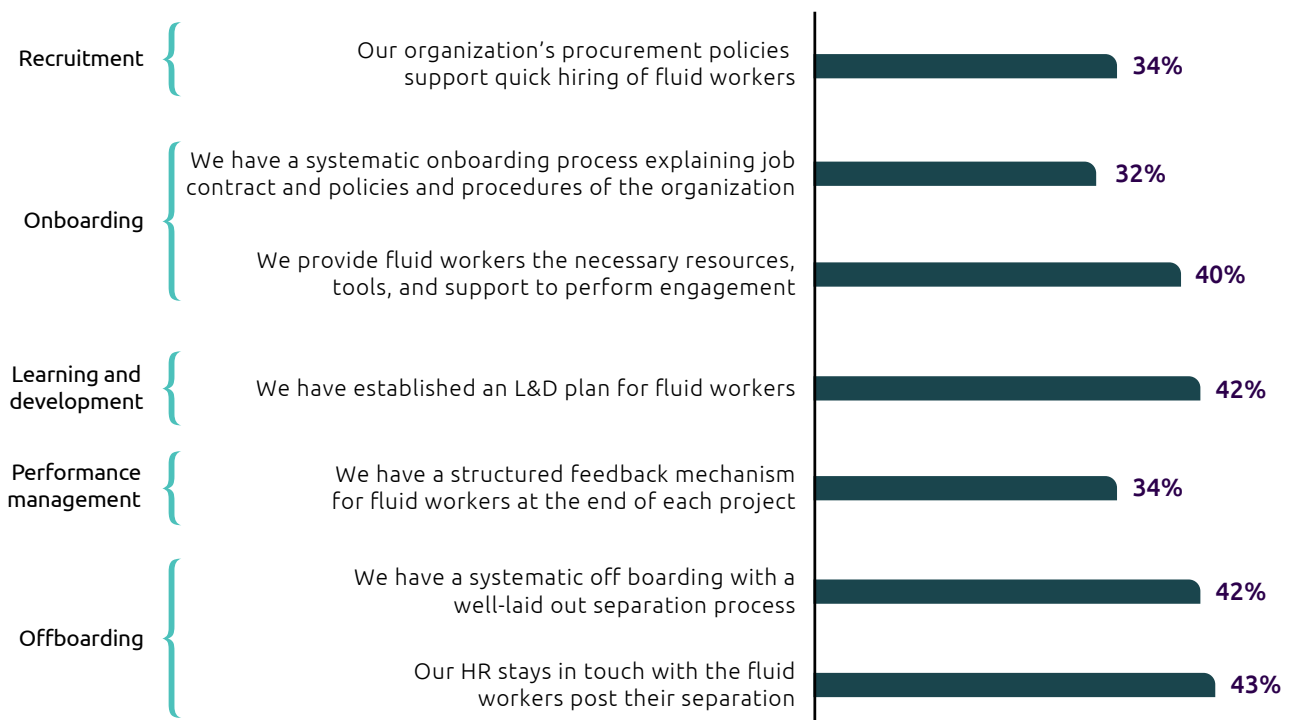
More than three-quarters of organizations agree that they brief the fluid workforce on their organization’s culture and values. However, more than half of the fluid workers find “not being considered as a part of a team” as challenging.

Similarly, only 43% of fluid workers said that any new ideas that they provide are encouraged by their managers and organizations, while 68% of permanent employees feel they are encouraged to share ideas.

**Organizational process gaps exist throughout – from recruitment to offboarding**

There are several areas, from recruitment to offboarding, where organizations do not have a robust approach in place. For example, only 34% of organizations feel strongly that their procurement policies for hiring fluid workers are quick and agile (see Figure 4).

**Figure 4: Percentage of organizations with a highly developed approach for key processes (respondents who rate 6 or 7 (out of 7) to the following statements)**



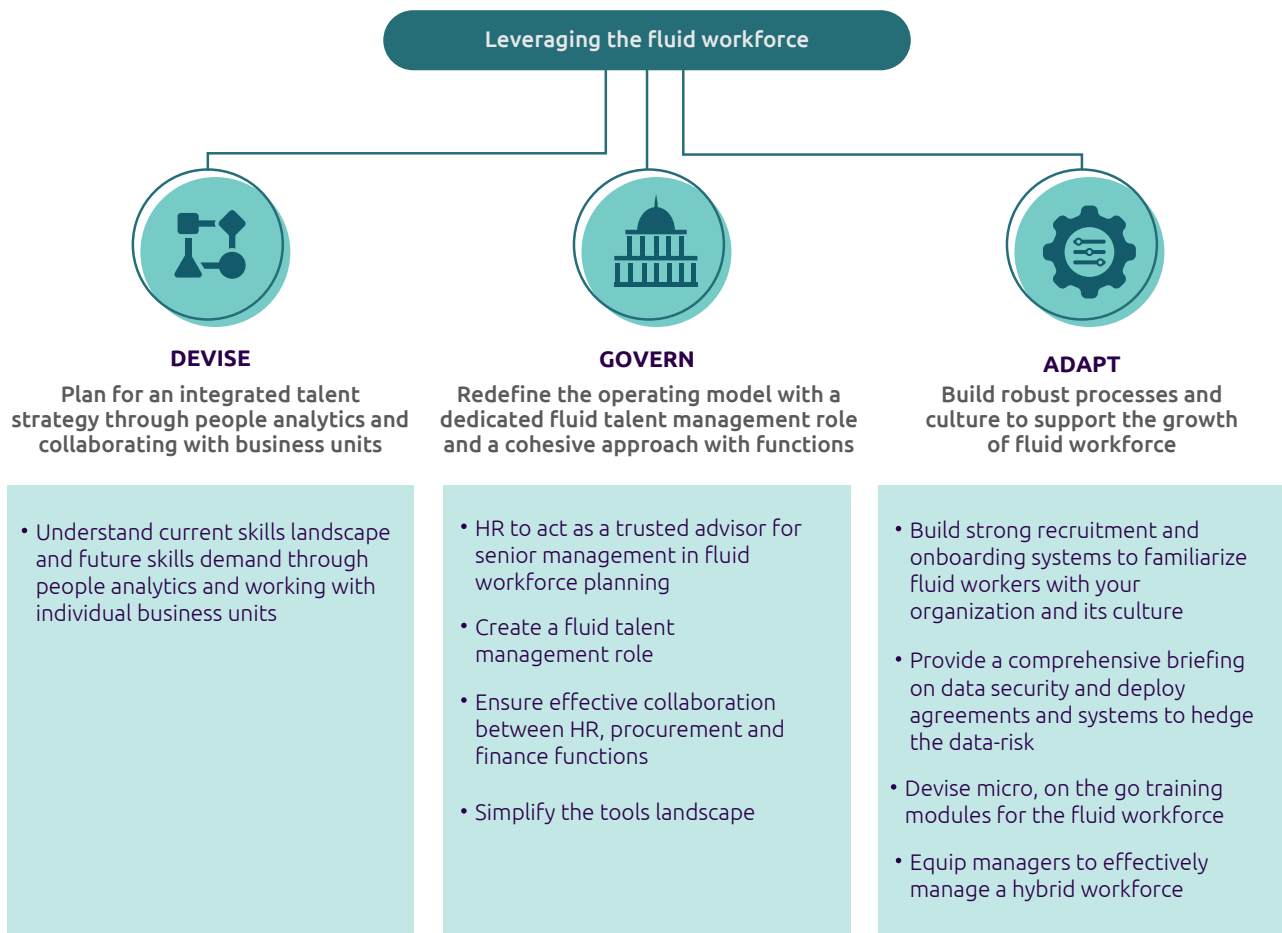
Source: Caggemini Research Institute Fluid Workforce Research, December 2019, N=389 organizations using fluid workers in the last year.

## The journey to the future of work: a roadmap to a blended workforce

We identified a high-performing group of organizations who are leading the way in tapping the potential of fluid workforce. These front runners are organizations that are using fluid workers in variety of roles and are also generating significant benefits from their fluid approach.

Based on that analysis, below are our recommendations for organizations looking to leverage the value of an integrated workforce:

Figure 5: A roadmap to successfully leverage the blended workforce



Source: Capgemini Research Institute

For details on the research methodology and to read the full report, please visit: <https://www.capgemini.com/research/fluid-workforce/>

