

Contingent Workforce (Staffing) State of the Market Report 2022: Disrupt or Get Disrupted

November 2021: Complimentary Abstract / Table of Contents



Our research offerings

This report is included in the following research program(s):

Contingent Workforce Management

- ▶ Application Services
- ▶ Banking & Financial Services BPS
- ▶ Banking & Financial Services ITS
- ▶ Catalyst™
- ▶ Clinical Development Technology
- ▶ Cloud & Infrastructure
- ▶ Conversational AI
- ▶ Contingent Workforce Management
- ▶ Cost Excellence
- ▶ Customer Experience Management Services
- ▶ Cybersecurity
- ▶ Data & Analytics
- ▶ Digital Adoption Platforms (DAP)
- ▶ Digital Services
- ▶ Engineering Services
- ▶ Enterprise Platform Services
- ▶ Finance & Accounting
- ▶ Financial Services Technology (FinTech)
- ▶ Global Business Services
- ▶ Healthcare BPS
- ▶ Healthcare ITS
- ▶ Human Resources
- ▶ Insurance BPS
- ▶ Insurance ITS
- ▶ Insurance Technology (InsurTech)
- ▶ Insurance Third-Party Administration (TPA) Services
- ▶ Intelligent Document Processing (IDP)
- ▶ Interactive Experience (IX) Services
- ▶ IT Services Executive Insights™
- ▶ Life Sciences BPS
- ▶ Life Sciences ITS
- ▶ Locations Insider™
- ▶ Market Vista™
- ▶ Mortgage Operations
- ▶ Multi-country Payroll
- ▶ Network Services & 5G
- ▶ Outsourcing Excellence
- ▶ Pricing-as-a-Service
- ▶ Process Mining
- ▶ Procurement
- ▶ Recruitment Process Outsourcing
- ▶ Rewards & Recognition
- ▶ Service Optimization Technologies
- ▶ Supply Chain Management (SCM) Services
- ▶ Talent Excellence GBS
- ▶ Talent Excellence ITS
- ▶ Technology Skills & Talent
- ▶ Trust and Safety
- ▶ Workplace Services
- ▶ Work at Home Agent (WAHA) Customer Experience Management (CXM)

If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com

Learn more about our
custom research capabilities

Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: service providers,
locations, risk, technologies

Locations: costs, skills,
sustainability, portfolios

Contents

1. Introduction and overview	5
• Research methodology	6
• Key information on the report	7
• Background	8
2. Summary of key messages	9
3. Contingent workforce (staffing) market overview	12
• Macro trends from the global talent market	13
• Contingent workforce (staffing) market size	14
• Market share by job family	15
– Healthcare contingent staffing	16
– Industrial contingent staffing	17
– IT contingent staffing	18
4. Disruption in the contingent workforce (staffing) market	21
• Skills shortage	22
• Rise in leverage of contingent workforce	23
• Gig economy and platforms	25
• Direct sourcing	28
• Decreasing margins	30
• Automation	31

For more information on this and other research published by Everest Group, please contact us:

Arkadev Basak, Vice President

Priyanka Mitra, Practice Director

Karneek Patel, Senior Analyst

Utkarsh Chaudhary, Senior Analyst

Contents

5. Navigating through disruption for future growth	32
• Technology and analytics	34
• Output-based engagement models	35
• Learning and upskilling	36
• DE&I	37
• Candidate experience management in recruitment	38
6. Appendix	39
• Glossary	40
• Research calendar	41

Overview and abbreviated summary of key messages

This report examines the 2020 US contingent workforce (staffing) state of the market and provides an overview of the impact of COVID-19 and subsequent recovery of the market. It focuses on various factors disrupting the industry and how service providers are navigating the waves of disruption to unlock future growth

Some of the findings in this report, among others, are:

Market size and growth

- The contingent staffing market was growing at a steady pace for the past few years before COVID-19 hit. However, in 2020, the market contracted by 14% as enterprise' talent demand decreased substantially during the pandemic
- Following the sharp contraction during H1 2020, the market recovered in the later part of the year. Strong enterprise demand is expected to fuel recovery in 2021 and beyond

Market characteristics by job family

- IT, industrial, and healthcare occupations represent more than 50% of the total contingent staffing market revenue in the US; except for IT and healthcare, every other job family has been heavily impacted by COVID-19
- IT and healthcare contingent staffing have emerged as one of the fastest growing sectors in recent years. Favorable talent supply-demand dynamics and broader market and macro-economic conditions have put both industries on the path of future growth

Market disruptors

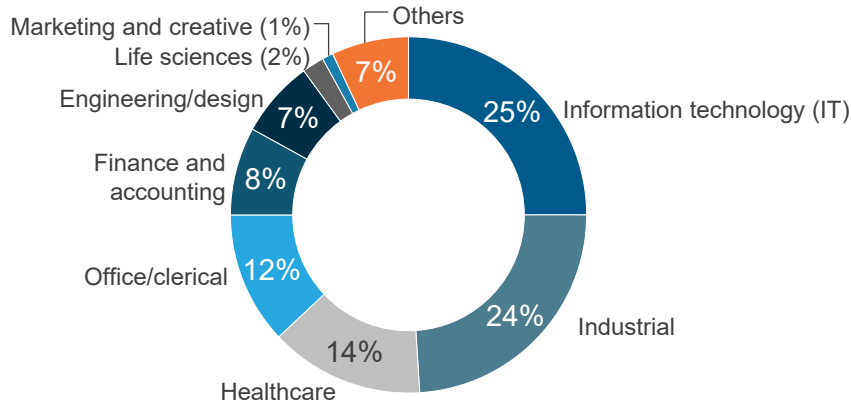
- Enterprises across the board are either currently experiencing acute skills shortage or are expecting it in the near future
- With the many benefits that contingent workforce has to offer, enterprises are pivoting their business strategy to actively look at increasing their leverage of contingent workforce
- Various market factors have forced staffing providers to decrease their margins in order to stay competitive

Navigating through disruption for future growth

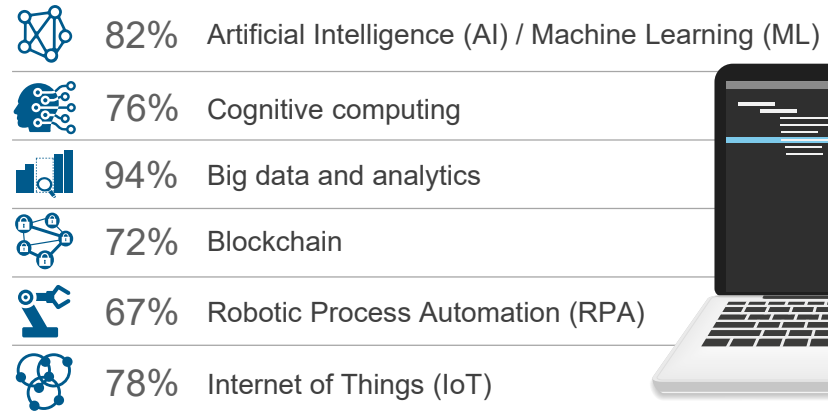
- Staffing suppliers will need to pivot their business models to newer angles in order to grow in the face of disruptive agents
- Investments in tool and technology and a shift towards output-based engagement models will help service providers differentiate themselves from their competitors
- Acute skills shortage and widening talent demand-supply gap has necessitated investments in upskilling/reskilling and DE&I solutions to unlock future growth

This study offers 5 distinct chapters providing a deep dive into key aspects of contingent workforce (staffing) market; below are four charts to illustrate the depth of the report

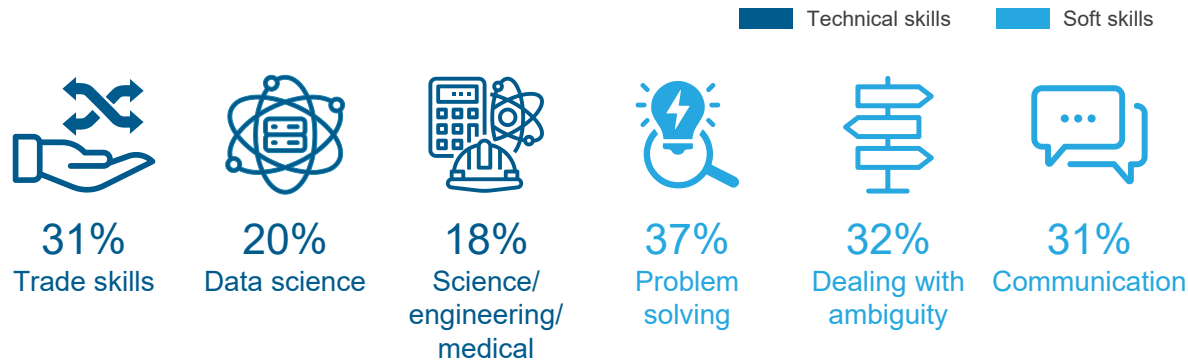
Share of revenue across job family in the US, 2020E; Percentage of revenue



Enterprise adoption outlook for next-generation IT themes



Top 3 missing technical and soft skills



Key DE&I offerings of staffing firms

Sourcing	Analytics	Advisory services	Learning and development / training
Service providers engage with underrepresented sections of the society to source diverse associates and assist enterprises curate diverse talent communities.	Service providers leverage analytics to assess demand and supply of diverse talent and advise enterprises around workforce planning, as well as benchmark workforce diversity with peers and market.	Leading service providers have curated auditing methodology/frameworks and engage external consultants to assess both their own and enterprises' DE&I initiatives.	Leading service providers are investing heavily in developing learning & development solutions to help hiring and line managers identify and eliminate bias.

Research calendar

Contingent Workforce Management

■ Published
 ■ Planned
 ■ Current release

Flagship reports	Release date
Contingent Workforce Management (CWM) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020	August 2020
Tackling the Global Pandemic: Contingent Workforce Management (CWM) State of the Market Report 2021	October 2020
Vendor Management System (VMS) Products PEAK Matrix® Assessment with Technology Vendor Landscape 2021	March 2021
US Contingent Workforce (Staffing) Provider Landscape with PEAK Matrix® Assessment 2021 – Going Beyond Scale	June 2021
Vendor Management System (VMS) – Technology Vendor Compendium 2021	July 2021
VMS State of the Market Report 2021	September 2021
Contingent Workforce Management (CWM) State of the Market Report 2022 – The Next Frontier to Address Unprecedented Talent Challenges	October 2021
Contingent Workforce (Staffing) State of the Market Report 2022: Disrupt or Get Disrupted	November 2021
Thematic reports	Release date
Collaboration to beat disruption – Future of CWM	July 2020
Data & Analytics – Foundational Pillars of Efficient Services Procurement Management	August 2020
The Evolution of Vendor Management Systems (VMSs) for Contingent Workforce Management: What Will Differentiate the VMSs in the Future?	December 2020
A Practical Approach to Total Talent Acquisition	February 2021
Disruption in IT Staffing	May 2021
MSP 4.0	June 2021
Demystifying Direct Sourcing	Q1 2022

Note: For a list of all of our published Contingent Workforce Management reports, please refer to our [website page](#)



Everest Group is a research firm focused on strategic IT, business services, engineering services, and sourcing. Our clients include leading global companies, service providers, and investors. Clients use our services to guide their journeys to achieve heightened operational and financial performance, accelerated value delivery, and high-impact business outcomes. Details and in-depth content are available at www.everestgrp.com.

Stay connected

Website

everestgrp.com

Social Media

-  @EverestGroup
-  @Everest Group
-  @Everest Group
-  @Everest Group

Blog

everestgrp.com/blog

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-80-61463500

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

Toronto

canada@everestgrp.com
+1-647-557-3475

This document is for informational purposes only, and it is being provided "as is" and "as available" without any warranty of any kind, including any warranties of completeness, adequacy, or fitness for a particular purpose. Everest Group is not a legal or investment adviser; the contents of this document should not be construed as legal, tax, or investment advice. This document should not be used as a substitute for consultation with professional advisors, and Everest Group disclaims liability for any actions or decisions not to act that are taken as a result of any material in this publication.