

Contingent Staffing State of the Market Report 2023 – Driving Growth in the Post-pandemic Era

December 2022: Complimentary Abstract / Table of Contents



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Background of the research

The contingent staffing industry, which employs staffing agencies to hire temporary workers, was majorly disrupted by the pandemic in 2020. While the global contingent staffing industry declined in H1 2020, it recovered rapidly in H2 2020 through 2021, driven by factors such as remote working and the Great Resignation. Enterprise demand for contingent workforce soared in 2021 and 2022 due to labor pyramid distortion and acute skills shortage. Despite economic instability and the possibility of a slump in the contingent staffing market's growth in 2023, the industry is expected to thrive in the long run. As enterprises struggle to hire talent, staffing providers are striving to improve their talent acquisition capabilities to meet enterprises' increasing demands. Moreover, the evolving nature of the contingent staffing market is driving providers to differentiate themselves in the fields of upskilling and reskilling, technology and innovation, Diversity, Equity, and Inclusion (DEI), and managed services.

In this report, we focus on:

- Contingent staffing market overview
- Key staffing market growth drivers and challenges
- Key investment themes for staffing providers
- Service provider landscape

Scope of this report



Geography
US and UK



Industry
Contingent staffing



Services
Contingent staffing
services

Overview and abbreviated summary of key messages

This report examines the state of the contingent staffing market in the post-pandemic era and sheds light on its future trajectory. It also focuses on evolving market dynamics and how staffing providers are re-strategizing their offerings to stay relevant in this field.

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

Contingent staffing market overview

- The US and the UK staffing markets are highly fragmented with generally diversified portfolios across job roles. The US market is more fragmented than the UK market
- The US and the UK staffing markets, which saw a major contraction due to the pandemic, experienced strong recovery in 2021 and good growth in 2022. The growth in the US market was stronger than that of the UK market

Key market drivers

- In the post-pandemic era, enterprises are expected to increasingly employ the contingent workforce
- Enterprises are faced with acute talent shortage as skill needs evolve and the skill gap widens

Key market challenges

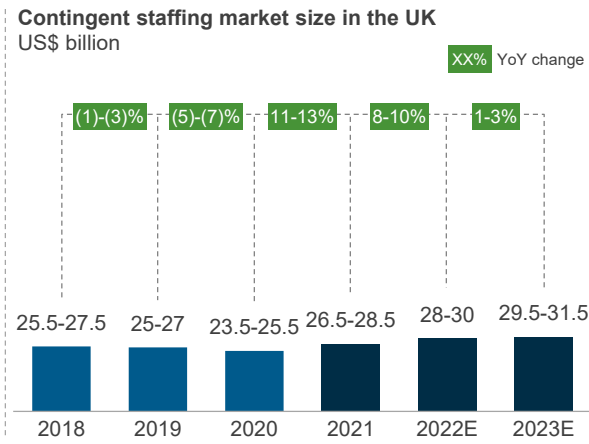
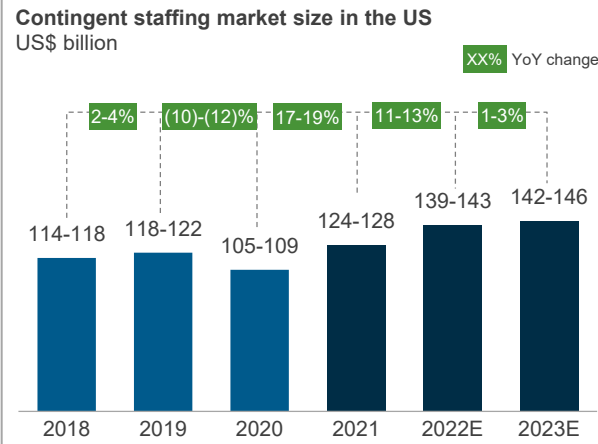
- Rise in alternate talent sourcing channels such as direct sourcing and gig platforms are posing a threat to traditional staffing providers
- Staffing industry continues to face margin pressures due to structural and contemporary reasons
- Increased instances of identity frauds in recent years have compelled enterprises and staffing providers to employ proper background verification processes

Key investment themes

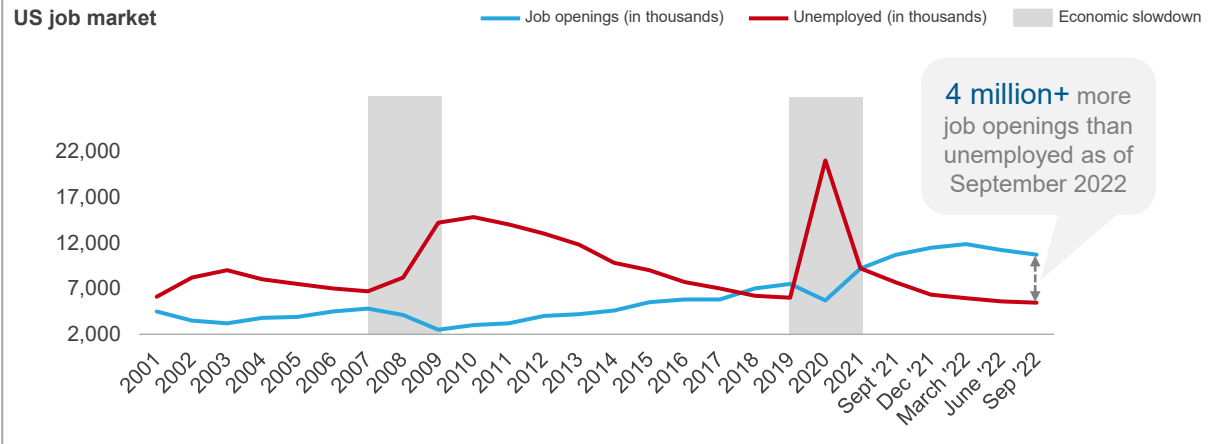
Staffing providers are navigating market disruptions through investments in managed services, Mergers and Acquisitions (M&As), offshore delivery capabilities, comprehensive talent management, technology and innovation, learning and skilling services, and Diversity, Equity, and Inclusion (DEI)

This study provides a deep dive into key aspects of the contingent staffing market; below are four charts to illustrate the depth of the report

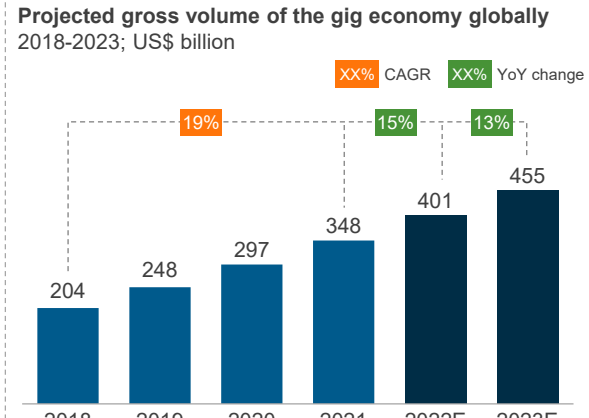
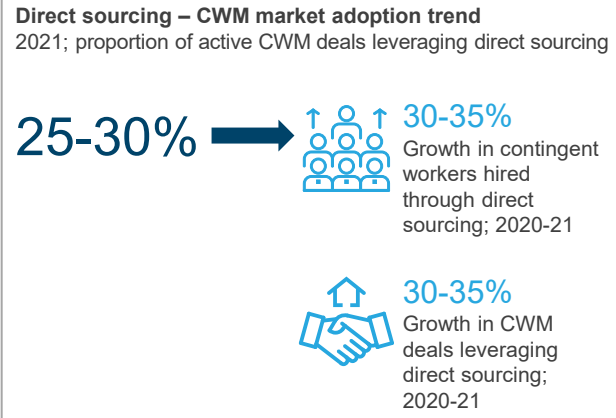
Market size in the US and the UK



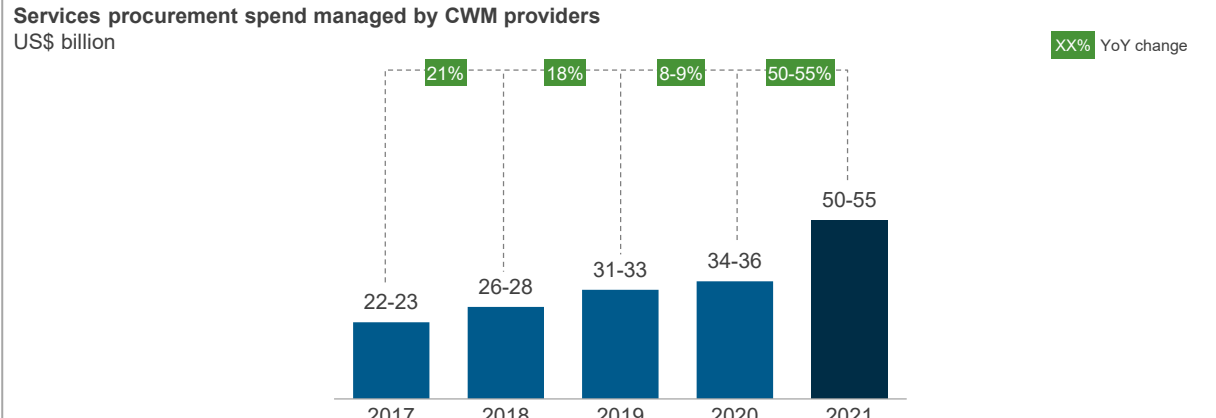
Talent shortage



Rise in alternate sourcing channels



Increasing managed services trend



Research calendar

Contingent Staffing

■ Published
 ■ Planned
 ■ Current release

Reports title	Release date
Disruption in IT Staffing	May 2021
US Contingent Workforce (Staffing) Provider PEAK Matrix® Assessment 2021 – Going Beyond Scale	June 2021
US IT Contingent Workforce (Staffing) Provider PEAK Matrix® Assessment 2021 – Going Beyond Scale	September 2021
Contingent Workforce (Staffing) State of the Market Report 2022: Disrupt or Get Disrupted	November 2021
Positioning for Success: Pivot toward Managed Services Engagements	July 2022
US Contingent Staffing Services PEAK Matrix® Assessment 2022	July 2022
UK Contingent Staffing Services PEAK Matrix® Assessment 2023	November 2022
Contingent Staffing State of the Market Report 2023 – Driving Growth in the Post-pandemic Era	December 2022
Digital-first Staffing – Overview Of Next-generation Tech Tools To Source And Retain Skilled Talent	Q1 2023
Building Winning Talent Strategies To Thrive During Recession	Q1 2023
Non-linear Career Pathways To Build Tomorrow's Workforce	Q2 2023
US Contingent Staffing Provider PEAK Matrix® Assessment 2023	Q3 2023
US Contingent Staffing Provider Compendium 2023	Q3 2023
Reinforcing Impact Sourcing with the Right Partner Strategy	Q3 2023
UK Contingent Staffing Provider PEAK Matrix® Assessment 2023	Q4 2023

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