



THE RISE OF THE BLENDED WORKFORCE

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By any measure, today's workforce is vastly different from that of the past. More diverse in composition, it is characterized as being more mobile, flexible and focused on short-term objectives. Long gone are the days of working for the same company for decades and retiring with a pension.

One dimension of diversity that may be less evident is the growing ranks of contingent workers. Sometimes called the "gig economy," these workers include consultants, freelancers, independent contractors, agency temps, day laborers and self-employed individuals. These workers are not regular employees of a business but are engaged on an interim basis. They do not qualify for full-time work schedules, regular wages or company benefits.

The U.S. Government Accountability Office noted an increase in the number of contingent workers and determined that more than 40% of the U.S. workforce is employed on a contingent basis.¹ *Forbes* excluded unskilled day laborers and estimated the current proportion to be closer to 30%, but with the potential to reach 40% in the next few years.²

The challenge for employers today is to merge the efforts of full-time, part-time and contingent workers into a cohesive "blended workforce" that achieves maximum productivity. The trend of hiring contingent workers is expected to increase, so making the blended workforce effective is a critical factor for success.

A 2016 study by executive development firm Future Workplace and Field Nation, an online work platform company, found that 74% of surveyed companies intended to hire freelancers rather than full-time workers.³ Most cited the need to cut costs and limit rising benefit expenses.

Both companies and workers see advantages to the gig economy. Businesses can tap into specialized skills on demand to address key problems and staff specific projects, as well as gain access to a diverse mix of perspectives and solutions. Contingent workers can instill new ideas and thinking into a project and stimulate productivity. They often bring experience gained across several industries that offers new perspectives and valuable insights.

Freelancers and other contingent workers frequently prefer to make the trade-off of sacrificing regular hours and benefits to gain better work-life balance. As interim workers, they gain increased flexibility and autonomy over their hours, assignments, location and work experiences.⁴

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MAKING IT WORK

The shift to a blended workforce of full-time, part-time, agency and temporary workers, as well as contractors, freelancers and consultants, is profoundly changing how work is managed and performed. Many companies and human resources departments are struggling to redefine how they identify the skills they need and then recruit, engage and acquire talent.⁵

Companies cite teamwork as the critical skill to making the blended workforce effective. Other issues of concern to companies are contingent workers' availability and the strength of their communications and technical skills. Contingent workers also need to possess strong problem-solving, leadership, self-management and teaming skills to be successful contributors.⁶

An ongoing challenge for managers is how best to produce a consistent brand effort when some team members are outside the corporate envelope.⁷ Electronic project management platforms and established protocols for communications and knowledge sharing go far to ensure brand consistency and quality.

Because the shift to a blended workforce may make some traditional employees uneasy and fearful that their jobs may be eliminated, it is important for companies to make sure that full-time workers feel valued and appreciated. They carry the institutional knowledge and experience needed for successful projects and can best direct the efforts of contingent workers.

Similarly, treating contingent workers with respect goes a long way. Beyond a paycheck, freelancers and other contingent workers seek stability and return engagements. They like to be treated as team members and shown appreciation for their efforts.

To discuss these topics in more detail, please contact your PNC Relationship Manager.

¹ U.S. Government Accountability Study, "Contingent Workforce: Size, Characteristics, Earnings, and Benefits," issued in April 2015 and cited in the article "3 Secrets to Leading a Multi-Everything Blended Workforce," by Meghan M. Biro, *Forbes*, Nov. 11, 2015.

Article is available at: <http://www.forbes.com/sites/meghanbiro/2015/11/07/3-secrets-to-leading-a-multi-everything-blended-workforce/#7e6948a03f4a>

² "10 Workplace Trends You'll See in 2017," by Dan Schawbel, *Forbes*, Nov. 11, 2016. Available at: <http://www.forbes.com/sites/danschawbel/2016/11/01/workplace-trends-2017/print/>

³ "The Gig Economy Study," Workplace Trends.com, May 3, 2016. Available at: <https://workplacetrends.com/the-gig-economy-study/>

⁴ "The Gig Economy Study," Workplace Trends.com, May 3, 2016. Available at: <https://workplacetrends.com/the-gig-economy-study/>

⁵ "3 Secrets to Leading a Multi-Everything Blended Workforce," by Meghan M. Biro, *Forbes*, Nov. 11, 2015.

Article is available at: <http://www.forbes.com/sites/meghanbiro/2015/11/07/3-secrets-to-leading-a-multi-everything-blended-workforce/#7e6948a03f4a>

⁶ "What does "blended workforce" mean?" by Gareth Moss, People HR blog, Nov. 25, 2016. Available at: <https://www.peoplehr.com/blog/index.php/2016/11/25/what-does-blended-workforce-mean/> and "The Gig Economy Study," WorkplaceTrends.com, May 3, 2016. Available at: <https://workplacetrends.com/the-gig-economy-study/>

⁷ "The Gig Economy Study," WorkplaceTrends.com, May 3, 2016. Available at: <https://workplacetrends.com/the-gig-economy-study/>

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