

indeed **flex**

# The 2025 Contingent Workforce Report

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How flexible talent gives you the competitive edge.



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White Paper 2025

# Contents

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**01** Introduction

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**02** The shift to contingent work

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**03** The obstacles to overcome

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**04** Gaining workforce visibility

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**05** Everything under one roof – could an MSP help?

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**06** The answer – smarter scaling, faster hiring

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# 01

## Introduction

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As businesses navigate today's highly competitive job market, accessing contingent labor has become a key workforce strategy, particularly when looking for specialized talent.

However, the labor market remains tight, with 9.6 million job openings but only 6.5 million job seekers as of late 2023. Despite this trend, many organizations still operate with workforce models designed for traditional employees, making it difficult to effectively integrate contingent talent.<sup>1</sup>

But as workers gain more influence over how and where they work, businesses need to rethink workforce strategies, to bring in those contingent workers and remain agile.

Furthermore, contingent workers can help to overcome current hiring difficulties and economic uncertainty. A Clearly Rated survey<sup>2</sup> survey found that over 50% of hiring managers struggle to fill roles, while 80% of HR and operations leaders cite skill gaps and worker quality as top concerns. A carefully considered contingent workforce strategy can mitigate such issues.

To better understand these trends, Indeed Flex surveyed more than 100 HR, Operations, and Procurement professionals.

Here's what we found...



# The shift to contingent work

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Demand in industries like retail, hospitality, and logistics is constantly shifting.

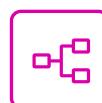
Companies that can quickly scale their contingent workforce gain a critical advantage — cutting costs, and managing high turnover more effectively.

In fact, 65% of businesses say they plan to increase their use of contingent labor over the next two years.<sup>3</sup> This is driven by the aforementioned economic uncertainty, rising labor costs, and changing workforce expectations.



## Rising labor costs

Rising labor costs and persistent skill shortages make flexible staffing essential for scalability.



## Legacy workforce systems

Legacy workforce systems weren't designed for modern-day businesses, leaving **75% of HR leaders** struggling with **cost visibility** and **70%** lacking workforce oversight.

75%



70%



# 03

## The obstacles to overcome

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### HR and TA: focused on workforce quality, but lacking visibility

HR and Talent Acquisition (TA) teams aim to hire high-quality workers quickly, reduce turnover, and ensure compliance. However, HR and Operations leaders struggle to fill contingent roles fast enough to meet demand, largely due to:

- Inconsistent screening across staffing agencies, leading to varying worker quality.
- Lack of centralized performance data, making it difficult to assess and redeploy top talent.
- Manual onboarding and compliance checks that slow down hiring processes.

Without real-time workforce insights, HR and TA teams face challenges in tracking worker quality and managing talent deployment across different staffing partners.

**45%**

#### Inconsistent hiring

Some staffing agencies rigorously vet workers, while others don't, leading to major variations in worker quality. **45% of HR and operations leaders cite this as a key issue** (ClearlyRated).





## Finance: cost control without real-time spend insights

Finance teams manage budgets and control workforce costs, yet 70% of HR leaders lack visibility into contingent labor spending, often due to reliance on spreadsheets or fragmented systems, leading to:

- Data inconsistencies that create budgeting errors.
- Lack of standardized reporting, making it difficult to forecast labor costs or track agency fees.
- Unexpected budget overruns due to poor spend oversight.



## Procurement: balancing costs with vendor management

Procurement teams optimize staffing contracts, ensure compliance, and negotiate rates, but need streamlined vendor management systems. Outdated or disorganized platforms make it difficult for them to:

- Enforce vendor compliance and track workforce performance metrics.
- Standardize hiring terms across suppliers, leading to inconsistent data.
- Audit staffing agency performance, making it harder to ensure a successful partnership.

70% 

### Lack of real-time visibility

70% of HR teams struggle to track data that would highlight spikes in demand, agency performance, and turnover. Ultimately, this hinders labor forecasting and cost control.



# Gaining workforce visibility

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Research highlights a fundamental shift in workforce management — automation and AI have moved from being useful tools to being key drivers when it comes to cost savings and scalability.<sup>4</sup>

**83%**

## Automation as standard

83% of staffing buyers invest in automation, making it an operational priority. Delaying adoption risks falling behind in a competitive market.<sup>5</sup>

**65%**

## AI support = faster hiring

65% of staffing buyers seek AI support for recruitment,<sup>6</sup> with 73% expecting faster hiring. AI-powered talent matching and workflow automation are critical for speed and effectiveness.<sup>7</sup>

**71%**

## Scalability is essential

71% of companies seek scalable AI solutions, making tech-driven workforce strategies key for adapting to demand and enhancing agility.<sup>8</sup>

**59%**

## Cost pressures drive tech adoption

59% of organizations use automation to cut labor costs, focusing on cost optimization through AI to streamline operations and maximize ROI.<sup>9</sup>

# Everything under one roof – could an MSP help?

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## Contingent labor as a strategic advantage

When managed well, contingent workers offer flexibility, address skill gaps, and free up resources for strategic work.

## Greater visibility and control

A VMS helps to unify workforce data across locations and departments. By consolidating spending, benchmarking pay rates, and analyzing cost trends in real time, organizations gain the insights needed to make informed decisions that align with business goals.

## Aligning agency relationships

A VMS serves as a central hub for agency management, standardizing pay rates, ensuring compliance, and enabling organizations to negotiate better terms through consolidated purchasing power.

## Speed and scalability

In industries with fluctuating workforce demands, the ability to scale quickly is a competitive advantage.



# 05

## A cohesive workforce strategy

A modern VMS aligns contingent workforce data with HR and procurement systems, offering a comprehensive view of labor trends and enabling better workforce planning, bringing all stakeholders – HR, Finance, and Operations – to the table.

## Better data = actionable insights

A data-driven approach provides real-time insights into workforce performance, supplier efficiency, and spending trends. Organizations that use predictive analytics can anticipate hiring needs, set competitive pay rates, and perfect their workforce mix based on business demand.

## Building a sustainable contingent workforce

Retaining top-performing contingent workers is just as important as attracting them. High turnover in temporary staffing increases recruitment costs and disrupts operational continuity.

By analyzing workforce data, companies can identify high-value talent, redeploy top performers, and strengthen workforce stability.



# The answer – smarter scaling, faster hiring



## Go beyond VMS with Flex Plus – the complete contingent workforce solution.

**Flex Plus** is a next-generation MSP – an end-to-end platform built to centralize and optimize both internal and external labor.



### Total workforce visibility

Gain real-time insights by consolidating workforce and vendor data into a single dashboard, enabling better spend management and performance tracking.



### Faster, smarter hiring

Instantly access **170,000+** **pre-vetted temp workers** via the Indeed Flex digital marketplace, eliminating hiring delays and ensuring seamless workforce continuity.



### AI-driven efficiency

Automate talent sourcing, compliance, and workforce planning to streamline operations and enhance productivity.

**Join the companies transforming workforce management with Flex Plus today.**

1. <https://www2.deloitte.com/us/en/insights/focus/human-capital-trends/2023/contingent-talent-management.html> 2. <https://www.clearlyrated.com/resources/2024-staffing-buyer-survey-sneak-peek> 3. <https://www.staffingindustry.com/news/global-daily-news/65-companies-say-they-plan-increase-use-contingent-workers> 4. ClearlyRated 5. ClearlyRated 2024 Staffing Buyers Survey, Q35 6. ClearlyRated 2024 Staffing Buyers Survey, Q46 7. ClearlyRated 2024 Staffing Buyers Survey, Q50 8. ClearlyRated 2024 Staffing Buyers Survey, Q49 9. ClearlyRated 2024 Staffing Buyers Survey, Q19

# Fast, Reliable, Flexible.

Technology-driven, on-demand staffing solutions that enable you to:

- Streamline hiring
- Reduce costs
- Manage your entire workforce

All on one centralized platform.

Book a meeting with one of our experts to discuss how Indeed Flex can help you with your staffing needs today.



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