

A woman with curly hair, wearing a blue jacket and large hoop earrings, is smiling and looking down at a laptop in a warehouse setting. The background shows shelves with cardboard boxes. The image is overlaid with a purple and blue geometric design.

# Empowering agility: Maximising the potential of a dynamic workforce

 indeed *flex*



# Effective staffing is a balancing act in 2024

Most businesses expect a return to growth this year – and their cautious optimism is supported by the data. But with the economy liable to slip back into recession at any moment, leaders face a dilemma: should they invest in growing their workforce or play it safe?

This eBook explores a third option: embracing a blended workforce to let them scale labour resources without making risky full-time hires.

Expect to learn:

1. Why hiring is still a major challenge despite a rebalancing of labour markets
2. What a major uptick in the use of temporary workers says about business's approach to workforce planning
3. How technology can allow leaders to get the benefits of temporary workers without the drawbacks of traditional sourcing strategies



# USA and UK businesses show cautious optimism

The American and British economies will fare better this year than in 2023. While ONS figures revealed that the UK entered a technical recession at the end of last year<sup>1</sup>, recent numbers suggest the worst may be over – and the UK is now on track for very mild growth in 2024.<sup>2</sup> A similar trend is seen across the US, which saw higher growth – 1.6% in Q1 2024 according to the most recent estimates.<sup>3</sup>

Of course, neither country is in a brilliant economic position; the UK’s economy grew by a mere 0.6% between January and March.<sup>4</sup> But it is still cause for cautious optimism, which is exactly what most businesses express about the coming year.

Twice as many global CEOs believe they will increase profits this year compared to last year.<sup>5</sup> In fact, BCG reports that 80% of UK businesses are confident about their prospects in 2024, with 51% anticipating increased profits.<sup>6</sup> As a result, many global businesses are looking to scale their staffing and capitalise on the economic rebound.

Not only did 84% of businesses recruit in Q1 – 37% increased the volume of new hires they made.<sup>7</sup> And another study revealed that 38% of companies see “growing talent” as a key priority this year.<sup>8</sup>

**But beneath this ambition lurks a harsh reality:** most businesses are simply not in a position to expand their workforce in the way they want to.

**77%**

Of restaurants plan to expand in 2024<sup>9</sup>

**38%**

Of companies say “growing talent” is a key priority in 2024<sup>10</sup>

**37%**

Of companies with 1k+ workers plan to increase headcount in 2024<sup>11</sup>

<sup>1</sup> <https://www.independent.co.uk/business/uk-in-recession-after-bigger-than-expected-year-end-contraction-ONS-b2496566.html> <sup>2</sup> <https://www.theguardian.com/business/2024/apr/12/uk-takes-another-step-on-path-to-exit-recession-as-gdp-rises> <sup>3</sup> [https://www.cnbc.com/2024/04/25/gdp-q1-2024-increased-at-a-1point6percent-rate.html](https://www.cnbc.com/2024/04/25/gdp-q1-2024-increased-at-a-1-point6-percent-rate.html) <sup>4</sup> <https://www.ft.com/content/e856ffbd-3b96-4ca3-8e03-47a96b8d035e> <sup>5</sup> <https://workplaceinsight.net/ceos-to-replace-people-with-ai/> <sup>6</sup> <https://www.bcg.com/united-kingdom/centre-for-growth/insights/state-of-uk-business-2024#7> <sup>7</sup> <https://www2.staffingindustry.com/eng/Editorial/Daily-News/More-UK-firms-recruited-in-Q1-with-temporary-staff-hiring-on-the-rise-690148> <sup>8</sup> <https://workplaceinsight.net/half-of-uk-businesses-expect-2024-to-be-easier-than-2023/> <sup>9</sup> [https://squareup.com/gb/en/townsquare/future-of-commerce?country\\_redirection=true](https://squareup.com/gb/en/townsquare/future-of-commerce?country_redirection=true) <sup>10</sup> <https://workplaceinsight.net/half-of-uk-businesses-expect-2024-to-be-easier-than-2023/> <sup>11</sup> <https://www.bcg.com/united-kingdom/centre-for-growth/insights/state-of-uk-business-2024#>

# Temporary gains, permanent staff

These economic rebounds are at best precarious: with geopolitical tensions and a cost of living crisis, any growth companies anticipate in 2024 could be easily wiped out. Companies should therefore learn from the errors of pandemic-era tech firms that went on hiring sprees only to be forced into mass layoffs by 2022<sup>12</sup>, and avoid responding to temporary improvements by making permanent hires.

This is far from the only staffing challenge firms face though. Despite the increase in recruitment and the dip in vacancies, a third of UK business are still understaffed at least once per week.<sup>13</sup> Another third say they have staff who are unwilling to work certain days or hours<sup>14</sup>, which only exacerbates existing holes in rotas. Equally, 70% of American companies say they are having trouble filling roles.<sup>15</sup>

Worse still, the labour market remains under the shadow of the “candidate-driven” pandemic era. 75% of employers say that candidates have higher salary and benefit expectations<sup>16</sup>, while 69% say demand for remote work is making it harder to hire.<sup>17</sup> And those that do find suitable workers whose demands can be met can't guarantee they'll make a successful hire: 59% of businesses report increased competition to hire staff with the right skills, rising to 74% of companies with over 1,000 employees.<sup>18</sup>

*“Employers are fighting hard to fill vacancies, but in such a tight labour market many are forced to leave gaps in their rotas on a regular basis.”*

– Novo Constare, CEO of Indeed Flex<sup>19</sup>

The cumulative effect is to put employers in a tough spot: they know hiring is essential to remain competitive during a potential economic upswing, but cannot take the risk of full-time contracts. Wellbeing and benefits Steve Herbert sums the situation up perfectly: “employers are looking for the ‘easy’ option of short-term labour appointments if a future pivot and downsize has to be considered.”<sup>20</sup>

## But what exactly do those “easy” options look like in practice?

<sup>12</sup> <https://www.techtarget.com/whatis/feature/Tech-sector-layoffs-explained-What-you-need-to-know#:~:text=The%20tech%20industry%20increased%20its,in%202020%20and%202021%20combined.> <sup>13</sup> <https://www.mirror.co.uk/money/one-three-businesses-short-staffed-32572031> <sup>14</sup> <https://www.mirror.co.uk/money/one-three-businesses-short-staffed-32572031> <sup>15</sup> <https://www.economist.com/business/2024/05/08/is-america-incs-war-for-talent-over> <sup>16</sup> <https://www.hrmagazine.co.uk/content/news/uptick-in-temporary-hires-suggests-cautious-optimism> <sup>17</sup> <https://www.hrgrapevine.com/content/article/2024-04-11-temp-hires-soar-in-2024-as-firms-face-increased-competition-to-fill-skills-gaps> <sup>18</sup> <https://www.hrmagazine.co.uk/content/news/uptick-in-temporary-hires-suggests-cautious-optimism> <sup>19</sup> <https://www.mirror.co.uk/money/one-three-businesses-short-staffed-32572031> <sup>20</sup> <https://www.hrmagazine.co.uk/content/news/uptick-in-temporary-hires-suggests-cautious-optimism>





# A new approach to workforce planning

The challenges companies face today are symptomatic of a deeper problem with staffing and recruitment. A recent Indeed Flex survey revealed that leaders across multiple industries believe existing workforce strategies and approaches to hiring are no longer fit for purpose: they are not precise, faster or flexible enough to match modern business's needs.

Leaders are frustrated with outdated staffing approaches

**73%** of directors and VPs say they struggle to recruit talent as fast as they would like.

**36%** blame “ineffective hiring and onboarding process” for poor retention rates.

**28%** struggle to find workers in the right location.

One solution is to replace that traditional system with a “blended workforce”. The concept is simple: companies mix a core full-time team with temporary staff that can fill rotas and resolve skill shortages while keeping costs down and legal commitments low.

## This fixes many of the problems we've explored:



### Rotas can be filled

regardless of fluctuating demand



### Skilled staff can be sourced

without entering a bidding war with rival employers



### Location and time

are no longer an issue with a much wider talent pool to draw on

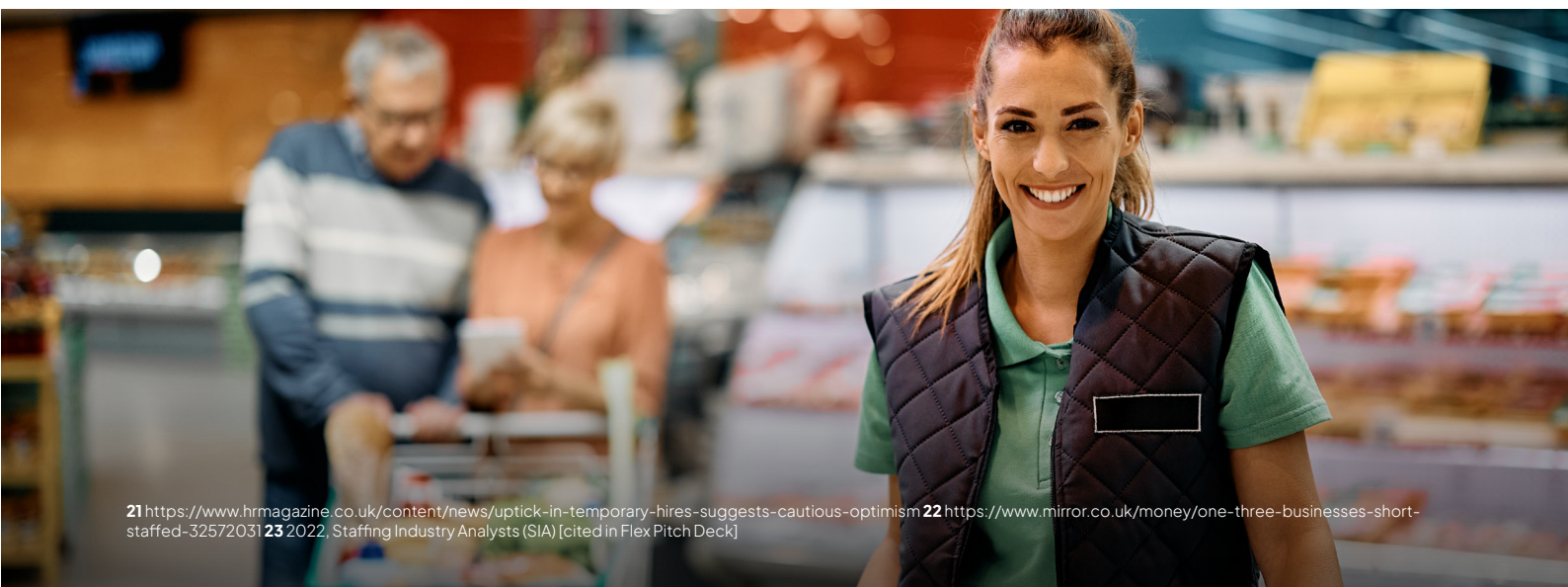


### Growth can be achieved

without risking a subsequent firing spree when it stagnates

Many businesses are already wise to this opportunity: temporary staff hires are up 69% in 2024<sup>21</sup>, with nearly two in five businesses employing more temporary workers than they did a year ago.<sup>22</sup> However, many leaders still have reservations about the model's viability within their organisation.

Our recent survey found that 89% of leaders worry about integrating temporary employees into their larger workforce, while 26.32% say they can't get the same workers consistently. They are not wrong to raise concerns: there has been a 49% increase in temporary staff turnover in the last decade<sup>23</sup>, and many agencies provide limited visibility or performance insights - leaving businesses in the dark. In fact, our survey revealed a host of issues with temporary staffing:



<sup>21</sup> <https://www.hrmagazine.co.uk/content/news/uptick-in-temporary-hires-suggests-cautious-optimism> <sup>22</sup> <https://www.mirror.co.uk/money/one-three-businesses-short-staffed-32572031> <sup>23</sup> 2022, Staffing Industry Analysts (SIA) [cited in Flex Pitch Deck]



# Leaders have legitimate concerns about temporary staffing



**84%**

of directors and VPs find it difficult to track temporary workforce performance



**52%**

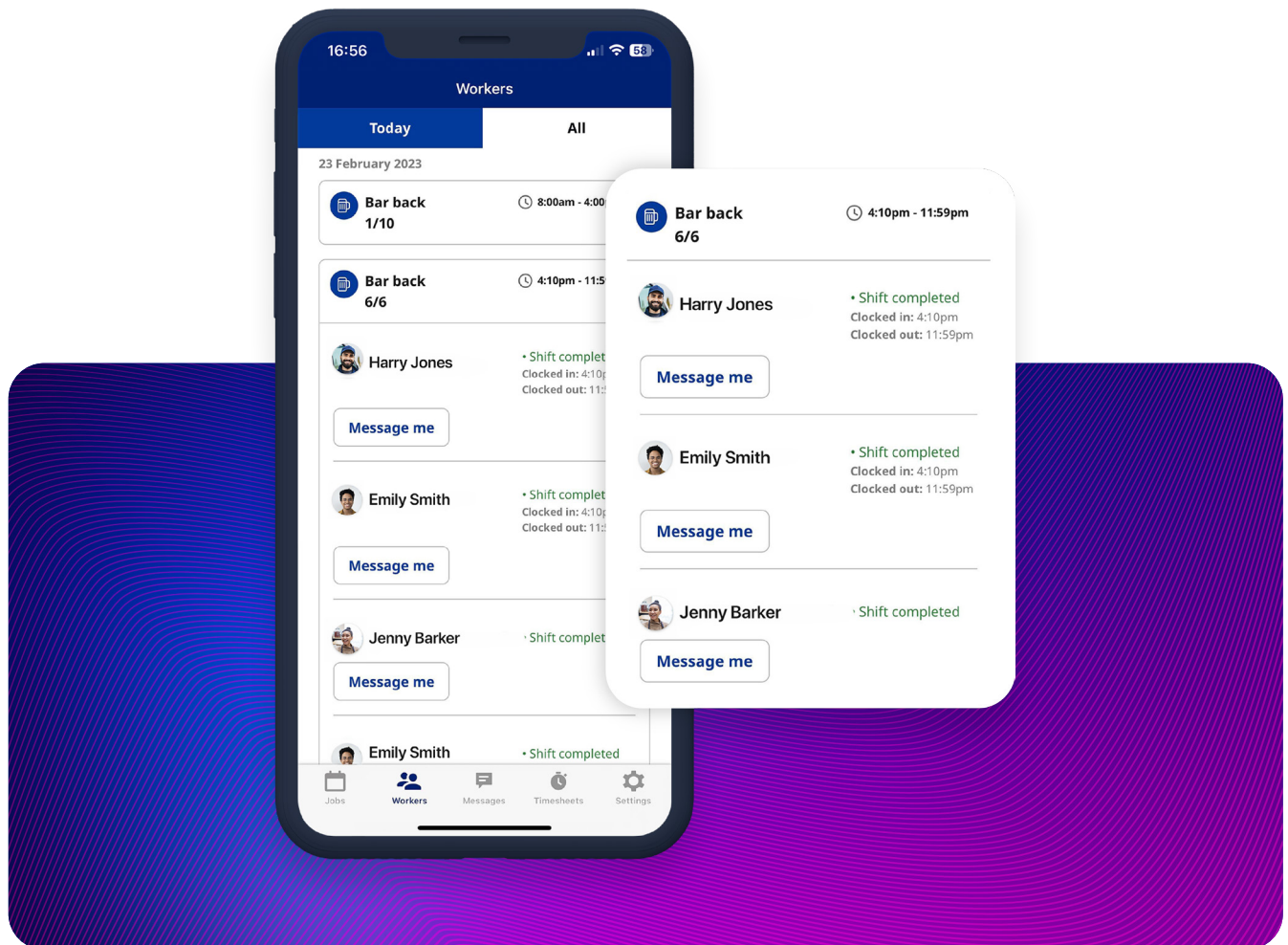
say their biggest challenge is a lack of visibility into costs



**48%**

say their biggest challenge is visibility into individual worker performance

But here is the truth: **these are problems with legacy temporary staffing agencies, not the concept of a blended workforce.** While many leaders have experienced friction when sourcing and retaining temporary talent, the right combination of technology and talent removes every one of these barriers - and unlocks a means of seamlessly scaling your workforce in 2024.



# How Indeed Flex uses tech to build a high-quality blended workforce

The workforce management model is broken, but traditional temporary staffing approaches leave companies overly reliant on a handful of agencies. **Indeed Flex was built to solve these problems and leverage cutting-edge technology to create a better deal for all parties.**

With end-to-end staffing solutions that include workforce management, the Indeed Flex jobseeker marketplace and vendor management, we unlock the full potential of temporary staffing:



## Faster hires

Our platform uses a **smart-matching** system to rank over 165,000 pre-qualified workers in terms of suitability to your specific needs. This enables an **unparalleled level of precision and speed** - and you can source highly skilled staff with under 24 hour turnaround.



## Greater visibility

Our dashboards provide a **complete view** of performance and spend by site, supplier and workers. This empowers you to track key metrics in real-time and evaluate the value of individual workers or suppliers - ultimately helping one organisation **reduce temp agency spend by 40% in a single year.**



## Higher retention

Our partners can create a list of their **favoured temporary workers** and give them priority for upcoming shifts. This enables greater cultural integration and consistency of output - ultimately ensuring you build a **truly blended workforce.**



# Interested in learning more ?

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

We provide nationwide coverage across the whole of the United Kingdom



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