



Creating Value and Impact through the Alternative Workforce

Aligning Technology, Strategic Communications, and Workforce Operational Excellence to Enable the Alternative Workforce

Technology, strategic communications, and workforce operational excellence: Enabling the alternative workforce

As the global market evolves to meet the needs of a rapidly changing business model, organizations must adapt and reorganize to enable a shifting workforce. Now more than ever, the overall make-up of workers is changing to satiate the new demands of a business economy that has seen an increase in on-demand services, the fight for talent, and opportunities for gig labor¹. Just as the landscape of business transactions is changing, inevitably so do the opportunities for workers who are looking for a more flexible schedule, negotiated wages, or additional supplemental income. As such, employers should take pause and reconsider their global talent and employee engagement strategy for mobilizing this new mix of traditional employees and alternative workers. Leading organizations aren't waiting to take action and are planning for future business success through concentrated efforts to engage and enable their new workforce. Not only are they evaluating their current resource models, they are providing their teams with the right tools, educating their leaders on best practices, monitoring the landscape to ensure organizational compliance, and making true investments in technologies and strategic communications that help source, manage, and engage the alternative workforce.



The alternative workforce is made up of a dynamic workforce ecosystem, where temporary positions have become increasingly more common:



Contractors/Contingent workers are employees of third parties engaged on a project-by-project basis or as a means to supplement the core employee workforce



Gig workers are paid by the task (or microtask) to complete a specified piece of work



Freelance/Independent workers are autonomous workers that are typically engaged and paid based on individual projects and services



Crowd workers compete to participate in a project and are often only paid if they are among the top participants in a competition



Co-employment PEOs are contractual arrangements that allocate shared responsibilities of specific HR and payroll functions with an organization²

Technology is the catalyst to accessing the alternative workforce

The collective global workforce is approaching an age where close to 40 percent of the working population is expected to engage in alternative talent models.³ In response, leading organizations are taking measures to effectively tap-into and leverage this growing segment of the workforce to fulfill roles and business needs. Results from Deloitte's 2019 Global Human Capital Trends study found that 33 percent of organizations reported extensively using alternative work arrangements for IT, 25 percent for operations, 15 percent for marketing, and 15 percent for research and development. Additionally, 75 percent of organizations reported making investments to expand HR strategies to support the alternative workforce.⁴

The observed growth in available and utilized alternative labor, and the subsequent increase in investment to manage said labor, strengthens the importance of understanding the forces driving this trend. Factors such as a competitive labor market, shifting worker preferences, and the rise of new technologies in the workplace can make it harder to keep positions filled. While the first two factors are representative of business

and cultural shifts, technology presents both a leading cause and potential solution for the alternative workforce.



Sourcing the alternative workforce

The shift to a larger talent market for alternative work has resulted in a growing collection of workforce management tools that have become more widely available. However, before examining the market of solutions for finding and selecting the best talent for work, organizations need to have an understanding of the types of work tasks and projects most appropriate to assign to their alternative workers. While this varies based on the nature of work for specific industries and companies,⁵ leading organizations need to optimize their allocation of work across their full time employees, alternative workers, and automation. Moreover, assigning legally

appropriate workloads across these various worker types requires further analysis and knowledge of factors such as task frequency, required collaboration, worker experience, and cognitive effort and ability in order to assign tasks effectively for the organization.

Once work is examined and properly aligned to the talent model for execution, organizations can turn to technology to help find their needed sources of talent. Just as applicant tracking systems and sourcing solutions provide capabilities for organizations to source and track full time applicants, so too do many HR technologies offer support for attracting the alternative workforce. The technologies available today for supporting the alternative workforce include, but are not limited to, traditional talent management suites, vendor management software, and stand-alone solutions. These alternative workforce tools help fill a gap in the market and enable new connections among those managing various workforce segments and types, thereby enabling a total workforce view.⁶

2. <https://justworks.com/blog/what-is-co-employment-quick-guide>

3. Jeff Schwartz et al., What is the future of work? Redefining work, workforces, and workplaces, Deloitte Insights, April 2019, https://www2.deloitte.com/us/en/insights/focus/technology-and-the-future-of-work/redefining-work-workforcesworkplaces.html?cid=dcom_promo_standard|us;en.

4. Deloitte 2019 Global Human Capital Trends Report

5. Deloitte 2019 Global Human Capital Trends Report

6. The Alternative Workforce; Now It's Mainstream. <https://www2.deloitte.com/us/en/insights/focus/human-capital-trends/2019/alternative-workforce-gig-economy.html>

Technology solutions and the alternative workforce

Putting requisite technologies in place to source, track, and manage the alternative workforce effectively requires that organizations understand the three key roles the alternative workforce plays in the future of work,⁷ identify their alternative workforce needs, and implement a solution to source for talent.

Aligning work to alternative talent models

Both technology and service providers can combine a variety of data sources with proprietary analytics to quantify the likelihood of efficiencies and value add from automation, alternative talent models like contract workers, and different cost locations for job roles and tasks. This type of analysis helps offer perspective on work options available for completion by alternative talent.

Sourcing through technology

Identifying the alternative workers most likely to be able to achieve business objectives is not a one-size-fits-all approach. Organizations now have multiple options for selecting HR solution providers to source for their alternative talent.⁸



Some HR solution providers help remove the barriers between buyers and sellers of labor by providing access to a marketplace for potential employers to source and identify workers that are open to being members of the alternative workforce.



Other technology providers help employers' source and manage alternative workers through a vendor management software, including access and provisioning of temporary workplace technology resources.



Additional talent management solution providers help manage an external talent marketplace for contract workers to bid on work that they want to complete.



7. The Alternative Workforce and Diversity & Inclusion as Disruptors in the Future of Work. <https://www2.deloitte.com/us/en/pages/human-capital/articles/alternative-workforce.html>
8. <https://www2.deloitte.com/us/en/insights/focus/human-capital-trends/2019/alternative-workforce-gig-economy.html>

Managing the alternative workforce

When a company engages and deploys alternative workers, they must take the necessary steps to enable them to succeed in their roles and, by extension, help organizations to succeed in achieving their business objectives. This includes establishing basic administrative processes,

such as tracking, reporting, and payment as well as communicating with them in a way that's both practical and personal. Throughout the duration of an alternative worker's engagement, organizations should thoroughly track operational data and reporting analytics that allow them to access how many alternative workers are active at

any given time and understand the cost and quality of their output compared to other talent models. By extension, this means that organizations should be in a position with their technology that allows them to monitor and manage: compensation, regulatory compliance, performance metrics, and off-boarding processes (see Figure 1).

Operational reporting

Allows an organization to see how many workers are contingent, the cost and quality of their output compared to other talent models, as well as the coverage and cost for any additional benefits and compliance challenges. This reporting should include metrics and tracking mechanisms required to monitor various areas, including, but not limited to, those listed here.

Off-boarding—monitoring to ensure that part-time alternative workers are properly offboarded following the duration of their agreed upon tenure

Regulatory compliance—including applicable federal, state, and / or local laws governing worker classifications and designations for alternative labor



Performance metrics—when appropriate, companies may consider providing feedback on alternative workers' quality of contributions and tracking results to leverage the most effective labor types for certain work

Compensation—whether workers are paid directly as a contractor or through a talent agency

Source: Deloitte

Figure 1

Depending on the nature of an alternative worker's engagement, companies need to be prepared to off-board those whose tenure has concluded. This means having the appropriate processes in place—for example, returning any company-provided resources or having their credentials deactivated. Other arrangements may allow for alternative talent to work on a more ongoing basis as part of a pool of alternative workers who are regularly tapped for assignments. Confirming compliance for temporary positions is imperative, and the importance becomes increasingly magnified when maintaining continued compliance for ongoing alternative worker arrangements.

While these managerial areas are considered table stakes for a leading organizations' full time employees, they are not so basic when it comes to the alternative workforce. The vast majority of organizations are lagging—only 8 percent have best-in-class processes to manage and develop alternative workforce sources, and another 54 percent either manage alternative workers inconsistently or have few or no processes for managing them at all.⁹ Realizing an organization's full potential through the alternative workforce first involves navigating the web of existing regulations. Current legislation related to the alternative workforce dictates, in general, that such worker types

cannot be considered employees from a legal perspective. To that end, acting in accordance with such laws is critical, as unprepared employers have the potential to find themselves in an un-intended employer-employee relationship with significant tax, benefit, compensation, workers' rights, and other implications. While this adds a layer of complication to building and establishing relationships with alternative workers, companies that are able to do so effectively, and compliantly, can reap the benefits. And because all past, present, and future alternative labor is part of the organization's talent network, they should be included in communication strategies designed to foster ongoing engagement.

Ongoing engagement through strategic communications

As previously mentioned, the alternative workforce is on the rise and likely to grow in the future to meet the demands of new business operations models. In fact, 45 percent of surveyed employers worldwide say they are having trouble filling open positions¹⁰, the largest such percentage since 2006. This trend has contributed to an increase in the use of alternative talent to help fill roles and complete work that could otherwise go unfinished and impact an organization's bottom line. But the more the alternative workforce can remain engaged and committed, the less urgent the need to continually attract and on-board new alternative talent. As a result, leading organizations are using strategic communications to connect with the alternative workforce in ways that foster commitment by making communications digitally enabled, tailored to audience segments, and bolstered by a sense of community. And they are seeing their efforts pay off. Respondents to our trends survey who measure the contribution of outsourced teams, freelancers, gig workers, and the crowd reported that these workers have a positive impact on organizational performance¹¹, which includes reduced retention issues and increased engagement. However, organizations' communications strategy and resulting communications must play a balancing act between communicating with the traditional organization versus communicating with the alternative workforce—which can often have different needs, access points, and ultimately, dramatically different results.

54 percent of organizations either manage alternative workers inconsistently or have few/no processes for managing them at all.

Deloitte 2019 Human Capital Trends Report



10. Deloitte 2019 Global Human Capital Trends Report

11. <https://thebossmagazine.com/alternative-workforce-inclusion/>

Getting started

In a competitive labor market increasingly reliant on members of the alternative workforce to meet talent demands, organizations must have the requisite processes and technology in place to effectively source and manage alternative workers. Instead of relying on ad hoc and manual processes or internal teams such as HR, it's important for procurement, IT, communications, and business units to work together to implement technology and governance structures, manage the nuances surrounding classification of alternative workers to stay compliant with evolving laws and regulations, and deliver strategic communications aimed directly at the organization's current and future alternative workers.

The goals of these efforts should be to create an efficient, transparent, cost-optimized, and compliant approach to sourcing and managing alternative workers that also enables those workers to be productive and engaged.

Top-performing talent acquisition teams are four times as likely as their low-performing counterparts to incorporate advanced technologies like cognitive tools and AI.

High-Impact Talent Acquisition, Bersin™, Deloitte Consulting LLP, 2018

Here are some considerations as you explore your use of the alternative workforce and the role of enablers in enhancing outcomes for individuals and the organization:

- **Explore the existing landscape of technology solutions developed specifically for alternative workers**—Take stock in the technologies used to manage the traditional workers at your organizations. It's not unusual for a company to begin without seeing the

forest through the trees. Organizations should begin with a list of the invested technologies in place today used to enable rank-and-file employees. They should then explore and evaluate whether such technologies can be leveraged to maintain the engagement information of an alternative workforce, while keeping the data separated compliantly.

- **Adapt traditional employee processes for alternative workers**—More and more organizations are augmenting their applicant tracking system (ATS) used in the hiring process for traditional employees with AI technologies to enhance recruiting efficiency and effectiveness. These may include AI-enabled web crawling for sourcing, chatbots for screening, or machine learning for candidate ranking and fit. These technologies can also be used in talent acquisition for alternative workers. Similarly, the talent acquisition technology tools and tactics used to foster ongoing relationships with candidates can also be leveraged, such as engaging with a community of current, former, and potential alternative workers via social media or through a specific website.
- **Know where you stand**—With the support of legal advisement, conduct an operational analysis and risk assessment to identify and resolve any gaps in policies, compliance processes, areas for improvement, and auditable issues.
- **Strengthen your position**—Once a gap assessment is completed, develop a roadmap to remediation, including how you will facilitate worker training on the applicable laws and regulations, and establish future-state governance of the compliance process ongoing.
- **Communicate across organizational lines**—Implement customized, best practices for communicating with alternative workers. For example, some may lack company emails, sit at computer, or only work on a seasonal basis, which means organizations must create a comprehensive strategy to communicate effectively with their alternative talent.
 - **Make it mobile (there's an app for that)**—Many alternative workers don't have access to the organization's intranet or receive emails and other types of internal communications. Having a digital platform, especially one that is mobile focused (such as an app), that can be accessed by workers with or without a company email address enables increased engagement and can provide education and information in real time. Also, depending on your industry and organizational regulations, consider adopting a "BYOD" (bring your own device) program.
 - **Make it personal**—Companies invest time and money to improve the customer experience. Think about how you can you apply this consumer-focused lens to workforce communications. Emails, newsletters, intranet information, or app-based messages should be personalized and relevant for the alternative workforces' day-to-day work while keeping them informed of larger company-wide initiatives. Personalization can be on a spectrum with something as simple as showing certain intranet articles based on workers associated location and business unit or provide a fully customized app-based experience that pulls from HRIS data streams on an ongoing basis.
 - **Make it meaningful**—While people inherently receive value from work itself, the alternative workforce also needs to feel respected for their contributions as often times they feel left out. In many organizations, procurement is accountable for managing this part of the workforce, which often excludes them from HR initiatives that create a truly engaging and inclusive work environment. As a result, many alternative workers may have felt less committed, included, and belonging to the organization and their team.¹² According to research, purpose-oriented workers are 54 percent more likely to stay at a company for more than five years and 30 percent more likely to be high performers than those who work for a pay check.¹³ Cultivating an experience at work where all workers feel a sense of belonging and understand the "why" of their work helps keep people engaged. Reinforce how peoples' work supports the organization's goals by pulling your mission, vision, and values into messaging, fostering self-esteem by communicating the value of work, and specifically recognizing your alternative workforce when appropriate to give these individuals a sense of purpose.

12. <https://thebossmagazine.com/alternative-workforce-inclusion/>

13. <https://www.linkedin.com/pulse/5-reasons-why-mission-driven-leaders-most-successful-ross-gaica/>

Let's talk

If you'd like to learn more about enabling the alternative workforce through technology, strategic communications, or workforce operational excellence, we'd welcome the opportunity to talk with you.

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