

3 Reasons Why Hiring On-Demand Workers Can Benefit Your Business



Introduction

The impact of the COVID-19 pandemic on the blue-collar workforce has been significant. While essential businesses expanded staff due to increased demand, many others closed their doors temporarily or were shuttered altogether.

As businesses continue to revamp their operations, there's a great deal of uncertainty about the economy and how it will affect the future of work. Some businesses may be cautious about hiring back full-time workers. Others may have difficulty in their efforts to find and select workers for more immediate needs, like hourly shifts or temporary projects.

In a time of change, having the ability to partner with a staffing firm to hire on-demand staff who will deliver is a tremendous asset.

In this e-book, we'll take a look at three reasons why working with a staffing firm can benefit your business.



How On-Demand Staffing Answers the Big Questions

The pandemic has forced businesses to become more agile, and they'll need to continue to evolve in order to come out stronger on the other side.

As businesses take a different view of their operations, having the right staff to support their efforts has never been more crucial. On-demand workers who are available in times of need give businesses agility and flexibility in staffing.

In response, businesses need to develop a workforce by identifying, matching and developing the skills in workers that the company needs at any given time. Using on-demand staff can help to provide access to workers who have a high degree of skill or specific experience in a certain area.

For businesses that are evaluating their staffing needs, it starts with asking these three questions:

- **What skills will it need in the future?**
- **Are these long-term or short-term needs?**
- **Will the demand for these skills vary over time?**

32% of U.S. companies plan to replace at least some departed full-time employees with temporary or contract workers, according to a recent Gartner survey of chief financial officers.

41% of CEOs said that their business model would become more flexible by increasing the share of remote and contingent workers.

The survey also found that CEOs are cautious about their revenue growth prospects next year, with **45% somewhat confident** and **15% very confident**.

Market Trends That Blue-Collar Industries Need to Know

Blue-collar industries in particular are constantly evolving, and as they navigate an uncertain time, there are **three big trends** to consider.

CHANGING RETAIL CUSTOMER HABITS

In recent years, there has been increased volume of e-commerce sales for large retailers, e-commerce vendors and other businesses. Retailers are attempting to reinvent their business models to enable an online presence aiming towards contactless delivery. With an added emphasis on e-commerce among today's businesses, there has already been a spurt in demand for pickers, packers and delivery workers.

TIME-SENSITIVE AND SEASONAL DEMANDS

Businesses require further agility in an unpredictable and fluctuating environment. Peak periods are becoming more unpredictable and businesses will need to find scalable and flexible solutions throughout their supply chains. Retailers, manufacturers and other businesses are pursuing approaches to ensure faster delivery.

DIFFICULT VACANCIES TO FILL

There are record numbers of job candidates available, and still more set to join the market over the next few months. Many people are finding themselves unexpectedly looking for work, which means businesses may have greater access to talent. But they also may find it difficult to sort through all their potential candidates and select the best ones.

Now we will go into more detail on each of these trends and how **working with a staffing firm to hire on-demand talent** can help businesses capitalize on them.

Changing Retail Consumer Habits

The entire retail supply chain—from retailers to logistics providers to manufacturing warehouses—has been disrupted by changes in consumer preferences and corresponding activity. Industries that rely heavily on blue-collar workers will be affected by the digital evolution and the emergence of e-commerce as a cornerstone of retail operations.

According to a recent report from Digital Commerce 360, the pandemic has massively accelerated the growth of e-commerce; total online spending in 2020 reached \$861.12 billion, up 44% from 2019. Adobe estimates that under normal circumstances, that much growth would have taken four to six years.

E-commerce allowed companies to restart their operations and serve customers even when their brick-and-mortar locations were closed to the public. Retailers are attempting new strategies such as using stores as fulfillment centers and warehouses in order to keep deliveries flowing, and by embracing curbside pickup, delivery and other methods to meet shopper expectations.

High levels of demand could make future holiday seasons and other notable sales periods throughout the year more challenging. According to CommerceHub research, 75% of consumers have searched for an item to purchase online only to find that it was out of stock. The issue is further exacerbated by the fact that delivery services have been inundated with packages and are experiencing extensive delays.

While brick-and-mortar retail sales are expected to **decrease by 14%**, e-commerce sales are predicted to **increase by 18%** to \$710 billion in 2020.

U.S. holiday e-commerce sales **rose by around 72%** to \$126 billion, according to Adobe Systems Inc., which tracks activity on thousands of websites.

The number of U.S. digital grocery buyers is expected to **surge 41.9%** this year to 131.0 million.

Businesses must adapt if shopper patterns continue to shift and will be tasked with making their supply chains more agile, lean and efficient. The reworking of the retail industry has been taking place for some time now, as stores convert to warehouses and distribution centers, and logistics networks transition to accommodate faster delivery. If brick-and-mortar locations shift to an online-only presence, they will also need to close or convert to fulfillment centers.

As businesses take more time to analyze economic conditions and navigate this changing environment, hiring on-demand staff offers more flexibility. On-demand staff can add value to your business even as consumer demands evolve, helping you meet the demand without needing to hire full-time employees immediately.

The global manufacturing industry is expected to experience a deficit of over **2 million workers** by the end of 2020—and by 2030, that shortage could reach **over 7.9 million**. The resulting loss in revenue may be as high as **\$607.1 billion**.

Source: Deloitte and the Manufacturing Institute



Time-Sensitive and Seasonal Demands

Many work environments, especially blue-collar and supply-chain work environments, have undergone a complete overhaul in the last decade.

When including all the jobs in fulfillment, delivery, and related roles, e-commerce has created more jobs between 2007 and January 2020 than bricks-and-mortar retailers lost, according to the Progressive Policy Institute.

The pandemic has forced businesses to create new positions or reconfigure current ones, with more staff needed to support our e-commerce operations, curbside pickup options and more. Retailers are also adjusting their plans considering the risks involved with major in-store events like Thanksgiving weekend. Black Friday has transitioned more into a digital event in recent years, spread out over several days as opposed to focusing on the day itself.

It's difficult to predict what the retail landscape will be like in the future, with consumer trends ever-evolving. As customer demand partly rebounds from the depths of the recession, many businesses are hiring temporary workers instead of permanent staff as uncertainty about the economy lingers. The opportunity to see how employees fit in is important, as is the ability to adjust if the need arises.

On-demand workers are useful when businesses need skills for a particular period or the duration of a project, allowing businesses with busy seasons to quickly meet the demand without having a long-term commitment in place. Should business needs change and more work becomes available, these workers can be hired permanently.



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WHY DO TEMPORARY WORKERS TEMP?

49%

of temporary workers
temp because they
feel it will lead to a
traditional job

11%

temp to supplement
their income while they
look for a permanent job

13%

temp to learn new
skills or get work
experience

14%

temp to supplement
their income while
not looking for a
permanent job

Difficult Vacancies to Fill

Fewer young people have been pursuing blue-collar careers, largely because of misconceptions related to the work at hand. This trend has been exacerbated in recent months as concerns about health and safety may have made it more difficult to attract blue-collar workers to jobs that are vital to the resurgence of the economy.

The speed at which blue-collar industries need to add workers and replace those who are nearing retirement is accelerating. The workforce shortage is a problem for many industries, but it also represents a tremendous opportunity for businesses that can pursue new avenues for finding workers.

But in this uncertain economic climate, many applications are being submitted by job seekers who are willing to apply to temporary roles as a back-up option while they search for permanent jobs, creating even more screening and vetting work for internal recruiters. In-house HR teams previously able to handle the filtering requirements of regular applicant submissions may be overwhelmed with higher volumes, making the vetting process to find the right candidates quickly much more challenging. To make hires who are a good fit for businesses and the particular roles they need to fill, a staffing company can support the vetting process while keeping the requirements of the job in mind.

In today's increasingly competitive economy, on-demand staff provides businesses with a scalable solution so that they can grow their business. For full-time job vacancies that are challenging to fill, businesses can explore working with a staffing agency and using on-demand workers who may be the right fit. They have the ability to assess a worker's skills on the job and decide if the worker is the right fit for future projects or even a full-time position.

Summary

With the rapid rate of change in today's economy, and the various responsibilities involved with managing a business, it can be difficult, time-consuming and expensive to hire on-demand workers.

Support from a staffing agency can enable both businesses and job seekers the ability to find each other more easily. The future of work is here, and businesses need to prepare for it. Businesses that don't will risk falling behind their competitors.



The share of gig workers at U.S. businesses has **increased 15%** since 2010.

In total, there are **6 million** more gig workers today than a decade ago.

Source: ADP Research Institute, 2020

About PeopleReady

PeopleReady is part of TrueBlue, Inc. (NYSE: TBI), a leading provider of specialized workforce solutions, including staffing, large-volume on-site workforce management, and recruitment process outsourcing to fill full-time positions. Based in Tacoma, Washington, TrueBlue serves clients globally and connects as many as 490,000 people to work each year in a wide variety of industries. Learn more at peopleready.com.

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