



Building Agility With a Contingent Workforce

Workforce Insights Report
April 2022

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Executive Summary

Survey findings from 1,112 respondents made up of employers and HR decision-makers in 12 markets across Asia Pacific.

Definition of Contingent Workforce

A Contingent Workforce means workers within an organisation who are EITHER or ALL of the following types:

- Short/Fixed Term Contractual Employment
- Freelancer/ Independent Contractors
- Outsourcing to Agencies



Key findings:

The effects of the Covid-19 pandemic and major technological forces are reshaping business models and the nature of work across Asia Pacific. The speed of these changes, alongside economic uncertainty as supply and demand fluctuates, has encouraged companies of all sizes to rethink their traditional workforce strategies and embrace fresh hiring approaches to stay competitive.

A Contingent Workforce is already a critical part of workforce strategies in Asia Pacific with over 50% of all

companies across the region surveyed saying they turn to it when experiencing a headcount shortage.

The trend for companies adopting a Contingent Workforce as part of their future workforce strategy is accelerating. About **25% of companies** across Asia Pacific who are already using a Contingent Workforce will **increase their usage over the next two years.**

Almost half of all companies surveyed are currently utilising a Contingent Workforce for up to

10% of their workforce, and are also planning to continue to expand their Contingent Workforce to 15% and above in the next two years.

48% of the respondents engage recruitment agencies for their headcount needs and strategies, especially within the **IT/Hi-Tech, Healthcare, Banking/Insurance, Government Agencies, Manufacturing, and Professional Services sectors.** There is also a trend for roles with high attrition rates, such as blue-collar workers and call centre staff, to be outsourced to agencies that know the industry and talent

Asia Pacific markets that are high adopters of Contingent Workforce solutions to solve their headcount shortages



Hong Kong (66%)



Malaysia (64%)



Singapore (60%)



Indonesia (67%)

pool landscape better. Recruitment agencies bring speed and efficiency to the talent acquisition process and free up companies' Human Resources and other internal teams to focus on their core competencies.

The Contingent Workforce forms a core part of the fast-growing **Gig Economy** that continues to reshape the world

of work. Many contingent workers are now highly skilled in specialised areas, where they are **increasingly seen by businesses as part of the mainstream workforce**, and not secondary to full-timers. The talent crunch has prompted a **changing mindset** across the business landscape. Our survey reports that Asia Pacific companies are most likely to offer **the same or better rewards**

to attract the right talent for long-term assignments.

In summary, our findings clearly show that the Contingent Workforce will play an even more critical role for businesses in the way forward. To succeed in this fast-evolving landscape, companies need to be ready to adapt quickly and have a robust Contingent Workforce strategy in place.

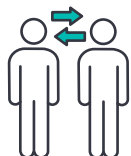
The 4 primary reasons for adopting a Contingent Workforce in Asia Pacific:



Offers flexibility to workforce planning



Brings in specific skills on short-term/project basis, (from a few months to 1-2 years)



Fills roles without disrupting operations



Allows time for evaluation prior to hiring permanently

Who We Surveyed



Industry respondents:

- Automotive
- Banking, Investment and Insurance
- FMCG and FMCD
- Government and Statutory Agency
- Healthcare, Life Science and Pharmaceutical
- IT and Technology
- Logistics and Supply Chain
- Manufacturing and Engineering
- Professional Services, Consultancy and BPO
- Others (ie: Construction, Education, Retail and Trading)



1 How Do Companies Fill Gaps in Their Workforce?

When experiencing a headcount shortage, most companies across Asia Pacific (58%) look to hire Contingent Workforce employees to help with workloads.

The highest adoption of a Contingent Workforce is reported by companies in **Indonesia (67%), Hong Kong (66%), Malaysia (64%)** and **Singapore (60%)**.

The second most popular strategy to fill gaps in workforce is **Training and Upskilling**. With 54% of companies responding that this was an option they use to help widen their workforce's scope or strengthen skills to cope with evolving demands. **China (67%)** and **Vietnam (61%)** - where Manufacturing is the dominant industry among the companies

surveyed - are the most likely markets to adopt this strategy.

Respondents are less reliant on government agencies or educational institutions for their workforce needs, with only 28% of respondents stating that they may opt for these options.



58% of companies in Asia Pacific look to hire **Contingent Workforce** employees to help with headcount shortages



54% of companies use **Training and Upskilling** to broaden their workforce's scope of knowledge and skills

2 Current Contingent Workforce Landscape

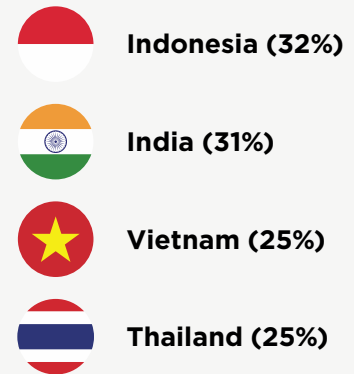
Our survey asked companies across Asia Pacific to tell us what proportion of their workforce have been contingent workers over the last 12 months.

The results show that a Contingent Workforce is a crucial element of organisations' workforce strategies. **Nearly half of employers reported they had hired a Contingent Workforce for up to 10% of their staffing needs in the last year.** However, China shows the weakest adoption among all the markets, with the vast majority (74%) of companies having 10% or fewer employees as a Contingent Workforce.

Meanwhile, nearly a quarter of all companies use a Contingent Workforce for more than 20% of their staffing needs, with the highest adoption seen in Indonesia (32%), India (31%), Vietnam (25%) and Thailand (25%). In Indonesia, nearly half of all companies report that 20% or more of their employees are engaged under Contingent Workforce arrangements.

46% of companies use contingent workers for **up to 10%** of their workforce

Markets hiring 20%+ employees as a Contingent Workforce

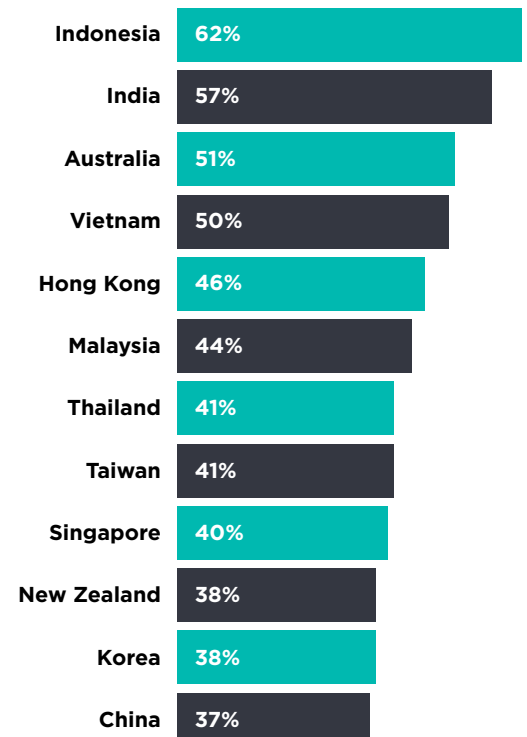


3 Future Contingent Workforce Landscape

The trend for companies adopting a Contingent Workforce as part of their future workforce strategy is accelerating.

The trend is similar across most sectors, **particularly FMCG, Logistics / Supply Chain, Government Agencies, Manufacturing and Healthcare.**

Companies expanding their Contingent Workforce to 15% and above in the next 2 years





4 Why Companies Hire a Contingent Workforce

The most common reason for businesses to adopt a Contingent Workforce is the flexibility that it offers for workforce planning, making it easier to upsize or downsize as required. On average 55% of companies surveyed across the region stated this as their top reason. This was in particular driven by companies in **Vietnam (67%)** and **India (63%)**.

The second top reason to adopt a Contingent Workforce is to help fill specialised roles to ensure no disruption to operations and the business overall. On average, 51% of companies stated this reason, with the highest responses in **Singapore (66%)** and **Vietnam (63%)**.

Overall, the sectors most in favour of a Contingent Workforce are IT / Hi-Tech, Healthcare / Pharmaceutical, FMCG, Logistics / Supply Chain, Financial Institutions / Banking, Professional Services / Consultancy, Manufacturing and Government / Statutory Agency.

Sectors most in favour of a Contingent Workforce



IT / Hi-Tech



FMCG



Financial Institutions / Banking



Manufacturing



Healthcare / Pharmaceutical



Logistics / Supply Chain



Professional Services / Consultancy



Government / Statutory Agency

5 How Companies Source and Deploy a Contingent Workforce

It is encouraging to note that almost all respondents know where to go to when sourcing for Contingent Workforce.

The majority of companies use Internal Hiring, Referrals, Job Advertisements for their primary

source of candidates. We also see companies **leaning towards engaging recruitment agencies** to source for Contingent Workforce, which brings speed and efficiency to help overcome hiring and sourcing challenges. It also enables specialists to do what

they are good at while companies' HR and other internal teams focus on their core activities.

This is most pronounced in **Australia, Singapore, India, Hong Kong, South Korea, Malaysia** and **Vietnam**.

Source and deploy your Contingent Workforce

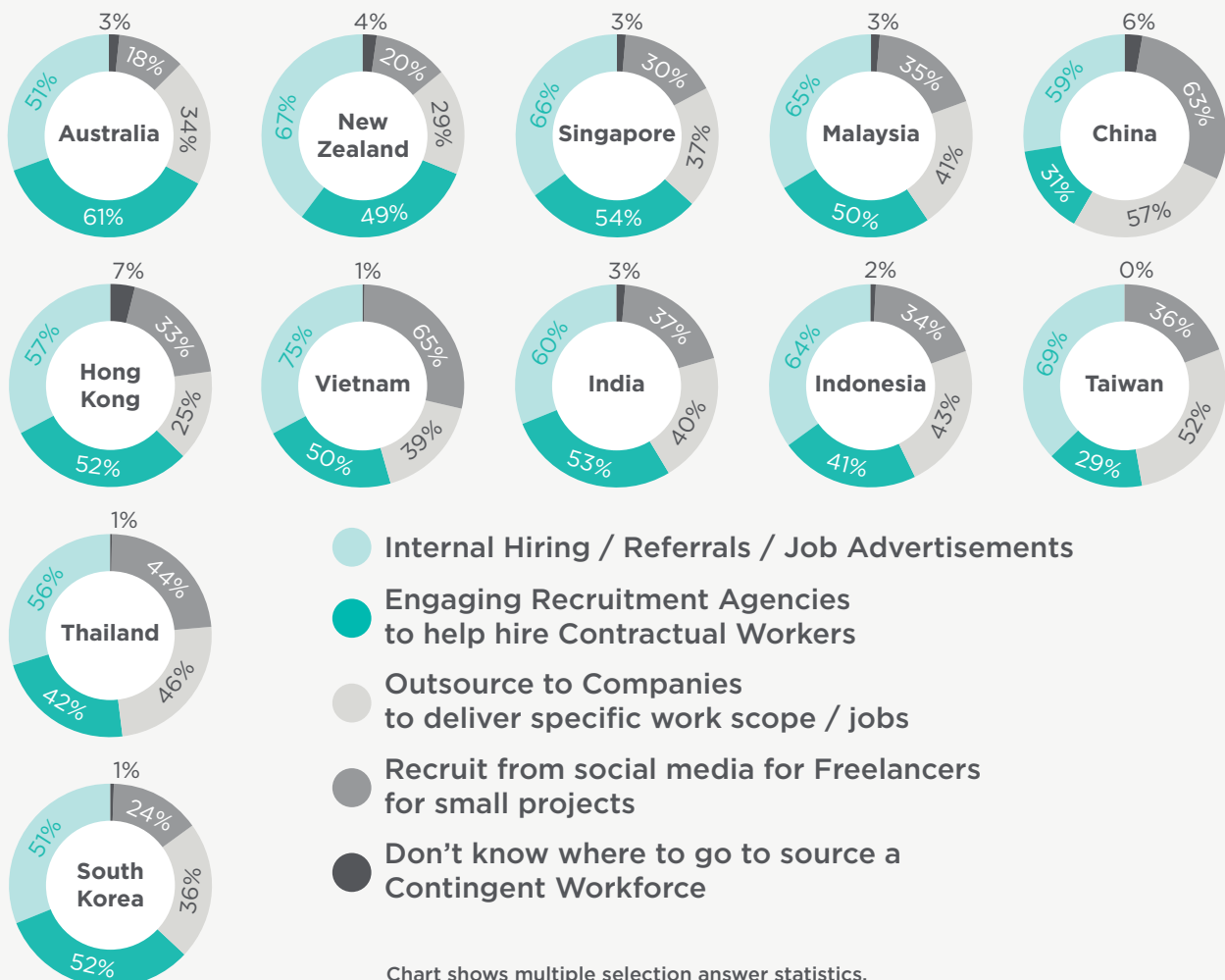


Chart shows multiple selection answer statistics.

6 Rewarding a Contingent Workforce

Our survey findings revealed a growing trend for businesses to **reward contingent workers in the same way** that they reward their full-time staff. An average of 45% of companies across all markets indicated this especially within the sectors of FMCG, Healthcare, IT / Hi-Tech and Logistics/Supply Chain.

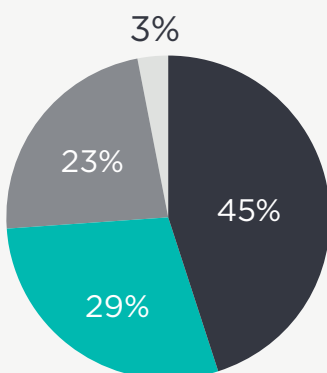
74% of Asia Pacific companies surveyed say they are likely to **reward contingent workers in the same way or better** than full-time staff. This is especially so in the IT / Hi-Tech, Healthcare, Banking /

Insurance and Manufacturing sectors. A primary motivation is to attract top talent for critical delivery, preventing project delays or any risk of impeding company growth.

The top Asia Pacific markets which indicated that they would offer **better rewards** to contingent workers compared to permanent hires include **Hong Kong, New Zealand, India, China, Taiwan** and **Vietnam** where all had over 30% responding. An average of 45% of companies across all markets

said they offer the **SAME rewards** compared to Permanent hires, **with the highest number of respondents in South Korea (60%), followed by China (57%), Thailand (54%) and Australia (50%).**

Not all Temporary, Contractual staff are **considered lower grade workforce moving forward**. Faced with the talent crunch, companies seeking to attract specialised or the best talent may need to consider offering the **same or better rewards** to be competitive.



Most companies reward a Contingent Workforce the **same** as full-time staff

- Offer SAME rewards scheme as Permanent employees
- Offer BETTER rewards scheme compared to Permanent employees to attract good talent
- Offer LOWER rewards scheme compared to Permanent employees
- Other

7 Contingent Workforce Skills in Demand

Emerging technologies such as **5G, Cloud Computing, Big Data, Artificial Intelligence and the Internet of Things** will dramatically reshape the digital economy. According to McKinsey, over 90%¹ of executives across the world are facing digital skills gaps in their workforces. For instance, demand for Cybersecurity professionals has grown by 6.6 times² over the last three years in Singapore.

The most in-demand skills for a Contingent Workforce across the region are **IT (including Data Analytics, Cybersecurity, Programming, Project Management), General Administration, Sales/Business Development and Marketing**.

For **IT**, the markets where these skills are most in demand are **India (50%)** and **Vietnam (44%)**. When we look specifically at **General Administration**, these skills are most required in **Hong Kong (48%)** and **Singapore (42%)**.

Top 3 skills in demand



1. Information Technology

 India (50%)

 Vietnam (44%)



2. General Administration

 Hong Kong (48%)

 Singapore (42%)



3. Sales/Business Development

 China (39%)

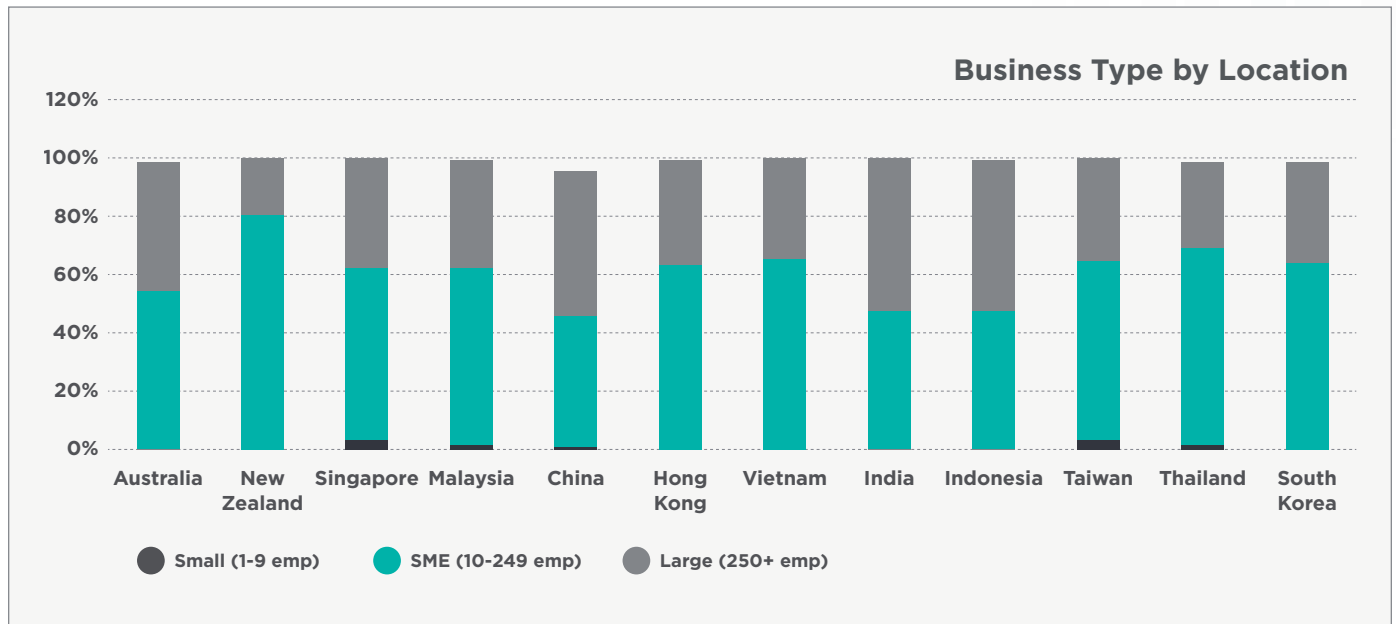
 Vietnam (38%)

1. McKinsey & Company, Beyond Hiring: How companies are reskilling to address talent gaps (Survey, Feb 2020).

2. SkillsFuture Singapore



Survey Respondents Demographics



Sectors

	AU	NZ	SG	MY	CN	HK	VN	IN	ID	TW	TH	KR
IT / Tech	4%	18%	4%	11%	9%	12%	16%	22%	13%	18%	10%	12%
Finance	3%	2%	5%	6%	3%	6%	5%	8%	10%	4%	6%	3%
FMCG	0%	2%	3%	1%	7%	2%	5%	2%	5%	3%	7%	1%
Manufacturing	12%	12%	11%	18%	32%	12%	21%	24%	17%	29%	20%	25%
Healthcare / Life Science / Pharmaceutical	9%	4%	9%	7%	4%	4%	11%	12%	2%	8%	5%	4%
Logistics / Supply Chain	4%	18%	4%	6%	3%	8%	5%	0%	7%	1%	2%	10%
Professional Services / Consultancy / BPO	17%	10%	21%	11%	13%	25%	9%	7%	6%	12%	6%	12%
Government / Statutory Agency	11%	6%	10%	13%	6%	7%	8%	3%	10%	10%	7%	6%
Hi-tech	1%	2%	3%	3%	4%	0%	1%	0%	2%	3%	5%	4%
Other*	40%	27%	30%	26%	19%	25%	20%	22%	29%	13%	31%	21%
Sample size (N)	101	51	124	160	69	114	103	59	104	77	83	67

Survey findings from 1,112 respondents made up of employers and HR decision-makers in 12 markets across Asia Pacific.

Top 3 Current Headcount Strategies



Treatment and Strategy of Contingent Workforce

Australia



50%
Offer SAME rewards scheme as Permanent employees



28%
Offer BETTER rewards scheme than Permanent employees



19%
Offer LOWER rewards scheme than Permanent employees



4%
Other

New Zealand



47%
Offer SAME rewards scheme as Permanent employees



37%
Offer BETTER rewards scheme than Permanent employees



10%
Offer LOWER rewards scheme than Permanent employees



6%
Other

Singapore



35%
Offer SAME rewards scheme as Permanent employees



23%
Offer BETTER rewards scheme than Permanent employees



39%
Offer LOWER rewards scheme than Permanent employees



3%
Other

Malaysia



39%
Offer SAME rewards scheme as Permanent employees



30%
Offer BETTER rewards scheme than Permanent employees



27%
Offer LOWER rewards scheme than Permanent employees



4%
Other

China



58%
Offer SAME rewards scheme as Permanent employees



35%
Offer BETTER rewards scheme than Permanent employees



7%
Offer LOWER rewards scheme than Permanent employees



0%
Other

Hong Kong



40%
Offer SAME rewards scheme as Permanent employees



37%
Offer BETTER rewards scheme than Permanent employees



22%
Offer LOWER rewards scheme than Permanent employees



1%
Other

Vietnam



42%
Offer SAME rewards scheme as Permanent employees



33%
Offer BETTER rewards scheme than Permanent employees



23%
Offer LOWER rewards scheme than Permanent employees



2%
Other

India



46%
Offer SAME rewards scheme as Permanent employees



34%
Offer BETTER rewards scheme than Permanent employees



19%
Offer LOWER rewards scheme than Permanent employees



2%
Other

Indonesia



47%
Offer SAME rewards scheme as Permanent employees



21%
Offer BETTER rewards scheme than Permanent employees



27%
Offer LOWER rewards scheme than Permanent employees



5%
Other

Taiwan



47%
Offer SAME rewards scheme as Permanent employees



32%
Offer BETTER rewards scheme than Permanent employees



18%
Offer LOWER rewards scheme than Permanent employees



3%
Other

Thailand



53%
Offer SAME rewards scheme as Permanent employees



23%
Offer BETTER rewards scheme than Permanent employees



22%
Offer LOWER rewards scheme than Permanent employees



2%
Other

South Korea



60%
Offer SAME rewards scheme as Permanent employees



16%
Offer BETTER rewards scheme than Permanent employees

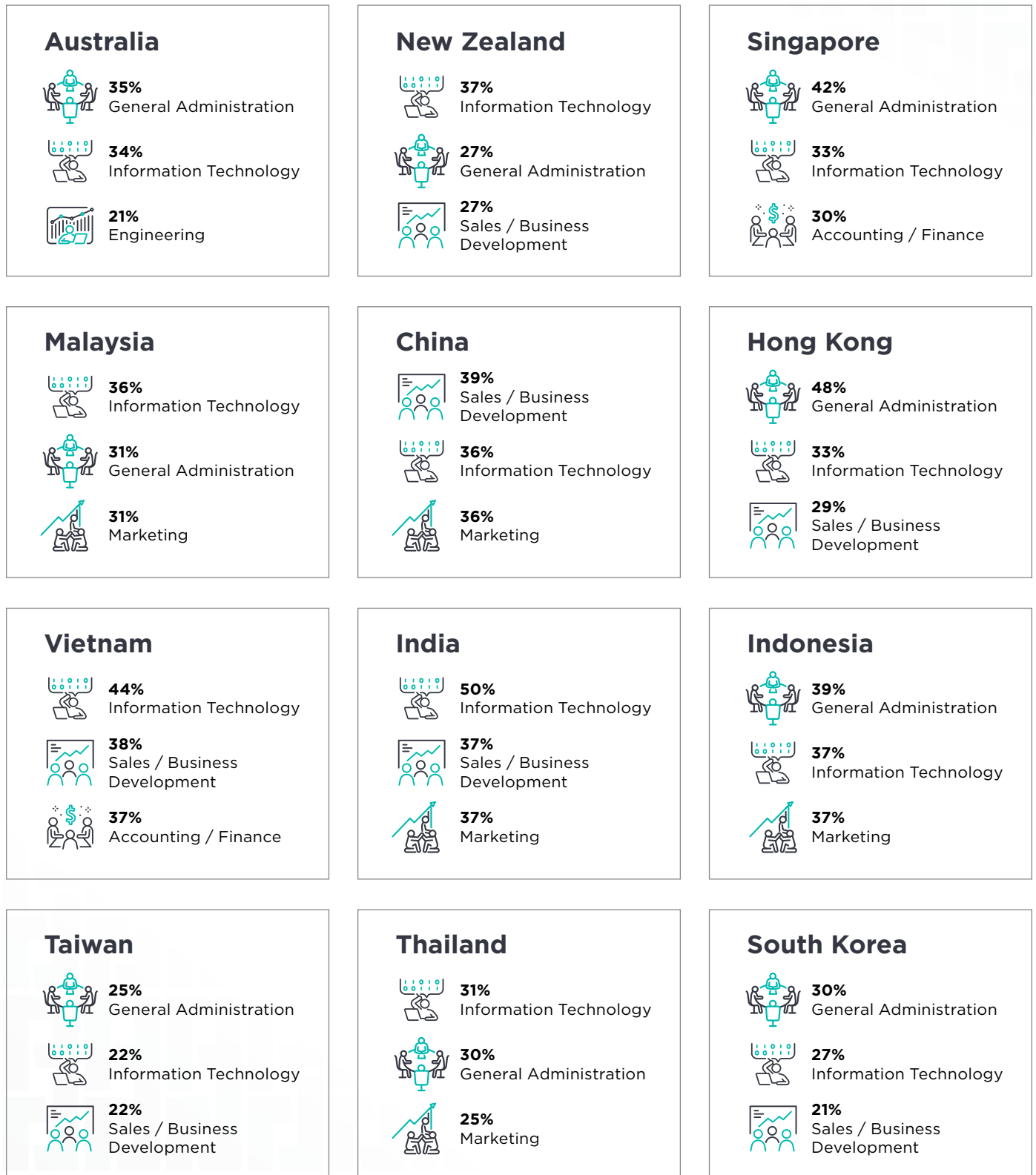


22%
Offer LOWER rewards scheme than Permanent employees



1%
Other

Top 3 In-demand Skills for Contingent Workforce



IT (including Data Analytics, Cybersecurity, Programming, Project Management)

Marketing (including Design, Digital, Product Marketing)
Engineering (including Oil and Gas, Facilities, Manufacturing)



How We Can HELP

BTI Executive Search aims to help clients in Asia find their most valuable asset: the right PEOPLE.

We firmly believe that it's through the right people that teams are able to maximise their potential and create value for their organisations. Our regional footprint across 6 markets within Asia Pacific, together with our understanding of local market insights and culture are defining reasons for our clients to place their trust in our abilities to effectively assess the right quality of talent to help them succeed.

We are also the first Asian Executive Search Firm to receive ISO9002 accreditation.

BTI Executive Search is part of PERSOLKELLY group (being a joint venture between PERSOL Holdings and Kelly Services established in 2016 where with a combined expertise of over 40 years, PERSOLKELLY is now one of the leading and largest workforce solutions company spanning 45 offices across 13 markets within the Asia Pacific region).

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