



BUILDING THE ON-DEMAND WORKFORCE

EMPLOYER PERSPECTIVES ON THE CHANGING NATURE OF WORK

Introduction

In 2019, Harvard Business School's Project on Managing the Future of Work and Boston Consulting Group's Henderson Institute designed a survey to understand what companies are experiencing in terms of the changing nature of work – and the use of digital platforms. A third-party survey firm administered this survey between December 2019 and January 2020 (prior to the COVID-19 pandemic) to 700 U.S. business leaders in companies with revenues greater than \$100 million.

The survey includes questions about specific talent models that companies are utilizing, why they are choosing to utilize them, barriers to utilization, expected future utilization, and the importance of such models for competitive advantage. It also asks about each company's strategic priorities and actions they are planning to take in the future.

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METHODOLOGY

The survey was fielded to 700 U.S. business leaders from December 2019 to January 2020 (prior to the COVID-19 pandemic). The survey was administered online to leaders who were either moderately or extremely familiar with at least one of the following three talent-sourcing platforms: crowdsourcing, freelance marketplaces, and on-demand premium talent. The 673 respondents represented levels including and above vice president and director. Certain industries were oversampled for industry-specific analysis, including health care, professional, scientific and technical services, finance and insurance, and manufacturing.

Source: "The On-Demand Workforce Survey," Harvard Business School's Project On Managing the Future of Work and BCG's People & Organization practice, November 2019 to January 2020.



Intro Display

Thank you for agreeing to take our survey.

The survey should take approximately 15 minutes to complete and consists of three sections.

Please note that **all responses are confidential** and will be analyzed in aggregate for the purposes of this research initiative only. Participation is entirely voluntary. You may leave the survey at any time and return to complete it. All of your responses will be saved up to the point at which you last pressed the “Continue” button.

Who can I talk to?

If you have questions about this study please contact: mraman@hbs.edu



Screener and Demographics

S0. Which of the following best describes your employment status?

- 1. Full-time (30 or more hours per week)
- 2. Part-time **TERMINATE**
- 3. Contract, Freelance or Temporary **TERMINATE**
- 4. Unemployed **TERMINATE**
- 5. None of the above **TERMINATE**

S1. Which of the following best describes your current role in your organization?

CEO / President / Owner / Managing director	1
CFO / Chief Treasurer / Chief Controller	2
CIO / Technology director	3
CMO	4
COO	5
CHRO	6
Other board member TERMINATE	7
Other C-level executive or equivalent	8
Senior VP / VP / Director	9
Head of business unit, department or division TERMINATE	10
Front line manager TERMINATE	11
Expert / Specialist / Individual contributor TERMINATE	12
Other (please specify) TERMINATE	99

S1b: How long have you been in this role?

- a. 6 months or less **TERMINATE**
- b. Between 6 months and 1 year
- c. Between 1-2 years
- d. Over 2 years

Source: "The On-Demand Workforce Survey," Harvard Business School's Project On Managing the Future of Work and BCG's People & Organization practice, November 2019 to January 2020.



S1c: What is your primary function?

1. HR
2. Marketing
3. Strategic planning
4. Corporate development
5. Sales and customer service
6. Finance, accounting, risk management, compliance
7. IT
8. Engineering
9. Production
10. Supply chain
11. Research, design and innovation
12. Other

S2: In which country is your organization headquartered?

- a. United States of America (US)
- b. Outside the US but with a strong presence in the US
- c. Outside the US with limited presence in the US **TERMINATE**
- d. Other **TERMINATE**

S3: Which best describes your organization’s main industry?

Agriculture, Forestry, Fishing and Hunting	1
Mining	2
Utilities	3
Construction	4
Manufacturing	5
Wholesale Trade	6
Retail Trade	7
Transportation and Warehousing	8
Information	9
Finance and Insurance	10
Real Estate Rental and Leasing	11
Professional, Scientific, and Technical Services	12
Administrative and Support and Waste Management and Remediation Services	13
Educational Services	14
Health Care and Social Assistance	15
Arts, Entertainment, and Recreation	16
Accommodation and Food Services	17
Other Services (except Public Administration)	18
Public Administration	19

Source: “The On-Demand Workforce Survey,” Harvard Business School’s Project On Managing the Future of Work and BCG’s People & Organization practice, November 2019 to January 2020.



S4a: How many employees are currently employed at your organization?

- a) 1-49
- b) 50-99
- c) 100-499
- d) 500-999
- e) 1,000-2,499
- f) 2,500-4,999
- g) 5,000-9,999
- h) 10,000+

S4b: What were the revenues of your organization in the last fiscal year (in US dollars)?

Less than \$ 25 Million TERMINATE	1
\$25 to 49 Million TERMINATE	2
\$50 to 99 Million TERMINATE	3
\$100 to 249 Million	4
\$250 to 499 Million	5
\$500 to 999 Million	6
\$1 to 4.9 Billion	7
\$5 to 9.9 Billion	8
\$10 to 30 Billion	9
\$ 30 Billion or more	10
Nonprofit TERMINATE	11
Prefer not to say/Don't know TERMINATE	99

S5a: When thinking about your company, which best describes your familiarity with the area of sourcing talent/talent strategy?

- 1. Not at all familiar **TERMINATE**
- 2. Slightly familiar **TERMINATE**
- 3. Somewhat familiar **TERMINATE**
- 4. Moderately familiar
- 5. Extremely familiar

S5: What is your level of awareness of your company's talent strategy, specifically in talent sourcing?

- a. Strong awareness of my company's overall strategy around talent sourcing
- b. Strong awareness, but it is primarily limited to the strategy within my business unit or area
- c. Limited awareness of my company's overall strategy around talent sourcing

Source: "The On-Demand Workforce Survey," Harvard Business School's Project On Managing the Future of Work and BCG's People & Organization practice, November 2019 to January 2020.



In this survey we are interested in a variety of talent sourcing strategies, including:

Traditional outsourcing: External companies hired to lower operating costs, often in remote locations (e.g., IT)

Traditional contracting: Individuals or companies hired to complete projects requiring specialized skill sets (e.g., marketing campaigns)

Digital freelance marketplaces: Individuals hired for task-oriented projects (e.g., Fiverr, Upwork)

“On demand” premium talent marketplaces: Individuals with hard-to-find skills hired for project work or to embed in project teams (e.g., TopTal, Catalant)

Crowdsourcing innovation platforms: Posting challenges to large user communities (e.g., Kaggle, Innocentive, Topcoder)

S6: Please select the option that best describes your level of awareness of the talent sourcing models outlined above.

Rows

- 1) Traditional outsourcing
- 2) Traditional contracting
- 3) Digital freelance marketplaces
- 4) “On demand” premium talent marketplaces
- 5) Crowdsourcing innovation platforms

Columns

- a. Unaware
- b. Aware

S6b: Please select the option that best describes your level of use for the following talent sourcing models.

- a. None; we do not utilize this model
- b. Previously used; we experimented with this model and stopped using it
- c. Limited; we have experimented with this talent sourcing model
- d. Medium; we use this talent sourcing model in one or more of our functional areas
- e. Extensive; we use this talent sourcing model in most of our functional areas
- f. Not sure of our utilization

Source: “The On-Demand Workforce Survey,” Harvard Business School’s Project On Managing the Future of Work and BCG’s People & Organization practice, November 2019 to January 2020.



S6c: You indicated that your company uses a digital marketplace to access talent. Are you using an external marketplace (e.g., Fiverr or Upwork) or an internal, company-hosted marketplace?

- a. External marketplace
- b. Internal marketplace
- c. Both

S7: (Shown to respondents who answer “a or b” to one row in S6b) You indicated that your company does not use [model]. Why is that? Please select all that apply that describe why you have not utilized this model so far.

- a. We don't have large talent supply gaps
- b. We already have a good process in place for filling talent needs
- c. We believe we need our employees to be full-time to preserve our competitive advantage
- d. We would like to use these talent sourcing models but have found the quality of talent on them to be poor
- e. We would like to use these talent sourcing models but the administrative burden is too high
- f. We would like to use these talent sourcing models but struggle to describe activities or skills we need in a way that can be outsourced in more task-oriented formats
- g. We would like to use these talent sourcing models but our leaders lack the skills to fully integrate their work, manage projects, or create a cohesive culture
- h. These talent sourcing models are not readily available for my industry
- i. We would like to use these talent sourcing models but the risks around compliance and potential IP loss are too high
- j. Other (free text)



S8: Think about experience with recruiting new full-time talent at your company. For candidates with multiple offers, how often does your company lose out on potential talent?

Select the option which best matches your perspective.

- a. Candidates with offers at multiple firms almost always choose us.
- b. Candidates with offers at multiple firms choose us more often than another company
- c. Candidates with offers at multiple firms choose us or another company about equally.
- d. Candidates with offers at multiple firms choose another company more often than us.
- e. Candidates with offers at multiple firms almost always choose another company.



Trends in Talent Sourcing Model Utilization

This survey seeks to better understand your company's talent sourcing strategies. Your answers are very important to us and we appreciate you taking the time to complete this survey.

In this section of the survey, we are focused on a specific talent model you have indicated you are using in S6. Please answer the questions below for this model in particular. The question set will cycle for up to three models.

A1: In which functions are you using it? Please select all relevant functions.

1. HR
2. Marketing
3. Strategic planning
4. Corporate development
5. Sales and customer service
6. Finance, accounting, risk management, compliance
7. IT
8. Engineering
9. Production
10. Supply chain
11. Research, design and innovation
12. Other
13. Not aware

A2: You indicated that your company's usage of this model is [response from S6b]

How has this utilization changed over the last 3 years?

Please select the option that best describes the change in this proportion over the last 3 years.

1. Decreased significantly
2. Decreased slightly
3. No change
4. Increased slightly
5. Increased significantly
6. Not aware

Source: "The On-Demand Workforce Survey," Harvard Business School's Project On Managing the Future of Work and BCG's People & Organization practice, November 2019 to January 2020.



A3: You indicated that your company's usage of this model is [response from S6b]

How do you think this utilization will evolve over the next 3 years?

Please select the option that best describes the change in this proportion over the next 3 years.

1. Will decrease significantly
2. Will decrease slightly
3. No change
4. Will increase slightly
5. Will increase significantly
6. I don't know



The past several questions have focused on a talent sourcing model you have been using. Further, a company's activities may be categorized as "higher-complexity" or "lower-complexity" to aid in talent strategy planning.

Higher-complexity activities are less routine, often have more ambiguity, and typically require significant creativity and self-direction.

In contrast, **lower-complexity activities** typically follow a predefined path with a more routine set of steps.

A4. You previously indicated that your company is using [a certain model]. Based on the definitions above, are you using it for higher or lower complexity activities? Please select the option which best aligns with your company's current utilization.

- a. Lower complexity (more routine) activities only
- b. Higher complexity (less routine, more ambiguity and creativity) activities only
- c. Both higher and lower complexity

A5: (If the respondent indicates lower complexity)

You have indicated that your company is using [model] for lower complexity activities. Why is that? Recall that lower complexity activities are those that typically follow a predefined path with a more routine set of steps. Please select all relevant responses.

- a. To temporarily fill talent gaps while we build new skills / capabilities in-house
- b. To temporarily fill talent gaps while we search for full-time employees
- c. To fill talent gaps in select geographic markets
- d. To provide surge capacity
- e. To access talent we could not afford to hire full-time
- f. To access lower cost talent
- g. To access niche skills or talent that we do not expect to need long-term
- h. To experiment with activities that are not part of our core capabilities
- i. To access fresh perspectives or ideas
- j. To access talent who are less interested in being an internal, full-time employee (eg, due to preferences for flexibility or autonomy)
- k. To compete with start-ups and other companies or technology disrupting our industry
- l. To avoid labor regulations which make it difficult to access traditional employees in other geographies

Source: "The On-Demand Workforce Survey," Harvard Business School's Project On Managing the Future of Work and BCG's People & Organization practice, November 2019 to January 2020.

**A6: (If the respondent indicates higher complexity)**

You have indicated that your company is using [model] for higher complexity activities. Why is that? Recall that higher complexity activities are those that are less routine, often have more ambiguity, and requires significant creativity and self-direction.

Please select up to the three most relevant reasons.

- a. To temporarily fill talent gaps while we build new skills / capabilities in-house
- b. To temporarily fill talent gaps while we search for full-time employees
- c. To fill talent gaps in select geographic markets
- d. To provide surge capacity
- e. To access talent we could not afford to hire full-time
- f. To access lower cost talent
- g. To access niche skills or talent that we do not expect to need long-term
- h. To experiment with activities that are not part of our core capabilities
- i. To access fresh perspectives or ideas
- j. To access talent who are less interested in being internal, full-time employees
- k. To compete with start-ups and other companies or technology disrupting our industry
- l. To avoid labor regulations which make it difficult to access traditional employees in other geographies
- m. Other (free text)

A7: You previously indicated that your company is using [model]. How satisfied are you with this source of talent? Please select the option which best describes your perspective.

1. Very dissatisfied (Continue to A8)
2. Somewhat dissatisfied (Continue to A8)
3. Neutral; neither satisfied nor dissatisfied (Continue to A8)
4. Somewhat satisfied (Continue to A9)
5. Very satisfied (Continue to A9)

A8: In the previous question you indicated you are [response to A7] with the use of [model]. Why is that? Please select all relevant responses.

- a. These models are too expensive to use on a regular basis
- b. We spend too much time selecting the right talent to utilize for relatively small tasks
- c. It's challenging for our HR function because it requires capabilities we don't yet have (eg, processing new hires at much higher volumes and faster speeds)
- d. The quality of the talent is below what I expected
- e. We are losing IP and competitive advantage
- f. External talent doesn't fit with our culture

Source: "The On-Demand Workforce Survey," Harvard Business School's Project On Managing the Future of Work and BCG's People & Organization practice, November 2019 to January 2020.



A9: In the previous question you indicated in some cases you are [response to A7] with the use of [model]. Why is that? Please select all relevant responses.

- a. Quality of workers is at or above what I expected
- b. It is efficient – an easy way for us to find the right talent for the right job
- c. We access a higher volume of talent than we could otherwise
- d. We access a higher quality talent than we could otherwise
- e. We access more niche or specialized skills and talent than we could otherwise
- f. Increases our diversity of perspectives and innovation
- g. It improves our competitive advantage



The following questions refer to your company's use of this model.

A10: What are the biggest barriers you have had to overcome to use this talent sourcing model? Please select up to 3 most relevant responses.

- a. Challenge of managing dispersed teams
- b. Difficulty in fostering community across teams that blend internal and external talent
- c. Entrenched beliefs that the most important work should be done by internal employees
- d. Ability to break projects into smaller milestones and tasks
- e. Difficulty in evaluating competencies of external workers
- f. Talent on external platforms does not meet company standards
- g. Complexity in identifying, evaluating, and selecting the right talent sourcing model given company's needs
- h. The administrative burden (e.g., onboarding, tax forms,...)
- i. Risk of sharing IP with external talent
- j. Risks of using relatively untested talent sourcing models
- k. Regulatory or legal barriers for using these models (e.g., recent government scrutiny of independent contractors]
- l. Difficulty onboarding and bringing external talent up to speed quickly

A11: Overall, how important do you believe this talent sourcing model will be for achieving competitive advantage over the next 3 years? Please select the option which best aligns with your beliefs.

- a. Not at all important
- b. Not very important
- c. Neither important nor unimportant
- d. Somewhat important
- e. Very important



A12: What has using this talent sourcing model allowed your company to do differently? Please select all that apply.

- a. Bring new products or services to market (for example, previously lacked right talent)
- b. Experiment outside of our core business (for example, lowering risk with outsourced talent)
- c. Improve overall speed to market (for example, accessing right talent faster)
- d. Improve quality of innovation (for example, accessing broader talent pools)
- e. Embed innovation across the company (versus separate innovation function)
- f. Create new sources of competitive advantage by bringing together functions or skills in new ways
- g. Create new ways of thinking or working
- h. Manage cyclical or seasonal workforce more easily
- i. Improve overall productivity by better matching employee skills to work



Organizational priorities and capabilities

In this section we would like to learn a little more about your company's priorities and ways of working.

B1: Reflect on your company's priorities and actions over the last 3 years. Please select the option that best describes your company.

Columns:

- a. Strongly disagree
- b. Somewhat disagree
- c. Neither agree nor disagree
- d. Somewhat agree
- e. Strongly agree
- f. N/A

Rows:

- a. We understand the digital and human skills needed for the future
- b. Upskilling or reskilling our employees in digital / technology has been a major focus
- c. We are creating more digital roles to transform into a technology company, not just tech-enabled
- d. We have sufficient digital knowledge to manage external technology vendors
- e. We are training our managers to work in rapid continuous improvement cycles
- f. We are training our managers to lead teams with combinations of part-time, contingent, and full time workers
- g. We are leading efforts to increase the sense of purpose and belonging at our company
- h. We are building a culture of "lifelong learning" for all employees
- i. We are creating more awareness around different talent sourcing options (eg, digital talent marketplaces, premium talent agencies, crowdsourcing)
- j. We are recognizing employees for utilizing new talent sourcing models (eg, digital talent marketplaces, premium talent agencies, crowdsourcing) to complete projects
- k. We are building more versatile talent, those who have a combination of technical capabilities and soft skills
- l. We are adjusting our talent screening to optimize for fit and potential instead of existing expertise
- m. We are investing in our culture and talent management to attract the best talent

Source: "The On-Demand Workforce Survey," Harvard Business School's Project On Managing the Future of Work and BCG's People & Organization practice, November 2019 to January 2020.



- n. We are relying on our business leaders to adapt our talent acquisition and development strategy for the future

B2: Please select the top 3 sources of success for your company in the next 3-5 years.

New talent sourcing strategies or recruiting pipelines
Agile working model, becoming more team-centered, iterative, and cross-functional
Ability to generate a broader set of innovative ideas
Formation of nimble strategic partnerships that expand reach and impact
Company culture becoming more purposeful and engaging to employees
Strong leadership and strategic planning abilities, including an understanding of competitive landscape
Globalization, including expansion to new markets
Data analytics to drive decision-making
Adaptive business model, especially to digital disruption
Streamlined product development process, accelerating time to market
Customer-centric business model, focusing on personalized customer experience
Improved operational efficiency
Ability to tightly integrate human talent and capabilities with data and technology
Other

Source: "The On-Demand Workforce Survey," Harvard Business School's Project On Managing the Future of Work and BCG's People & Organization practice, November 2019 to January 2020.



B3: Consider the following external factors and their influence on your company. Please rate the strength of influence of each factor for your company today.

Columns

- a. Weak
- b. Slightly strong
- c. Strong
- d. Extremely strong
- e. I don't know

Rows

- a. Aging workforce and mass retirements are leading to a decline in our talent supply
- b. Automation and digitization are increasing demand for higher skilled talent
- c. Rapidly evolving technology is shortening the relevance of skills leading to more frequent need for reskilling or upskilling
- d. Younger workers have new expectations about employment, including more flexibility, autonomy, and purpose
- e. The complexity of labor regulations dissuades us from employing workers in some countries
- f. Increasing cost pressure is forcing us to look for ways to reduce fixed costs
- g. Start-ups are disrupting our industry; the ease of renting assets is challenging our historical scale advantage

Source: "The On-Demand Workforce Survey," Harvard Business School's Project On Managing the Future of Work and BCG's People & Organization practice, November 2019 to January 2020.



B4: Looking to the future, how do you believe the workforce and talent sourcing will change? Please select the option that best matches your belief.

Rows

- a. Our “core” workforce will be much smaller
- b. We will increasingly prefer to “rent”, “borrow”, or “share” talent with other companies
- c. We will continue to hire mostly full-time employees for “core” or “mission critical” activities
- d. There will be consolidation in the market; talent sourcing platforms will merge
- e. Talent sourcing platforms will take on more roles in providing benefits, training, and other services to freelancers
- f. The workforce will be more fluid, shifting between multiple employers and ramping up / down with much higher frequency

Columns

- a. Highly possible
- b. Somewhat possible
- c. Somewhat unlikely
- d. Highly unlikely
- e. Don't know



Ending Display

Thank you for spending your time to complete our survey. We appreciate your responses.

C1 (optional): Are there any additional thoughts you'd like to share about the survey or its content?

[Option: Free text]