



**Agility and Flexibility:
Blended Workforce in the GCC**

Executive Summary

A blended workforce utilises a mix of both full-time and contract employees. The GCC has been slower to embrace this model than other regions, but HR Observer and TASC Outsourcing's research shows 64% of survey respondents say their organisations are ready to adopt the model.

Contract employees offer solutions to many of the hiring challenges organisations face: 57% of respondents said access to the right candidates, and 34% said access to a diverse candidate pool were among their biggest challenges. Almost 65% said hiring contract employees would ease scaling up or down, 53% said it would reduce operational costs, and 62% said it would offer access to workers with specialised skill sets without having to hire full-time employees.

But utilising greater numbers of contract employees can also have its challenges: 49% of respondents said a lack of accountability was a major challenge, while 42% identified a lack of compliance with brand value and culture, and 30% a lack of trust between contract and full-time employees as challenges. As for risks, 47% of respondents identified the sharing of company intellectual property or resources.

However, with 72% of respondents agreeing that increased budget constraints were forcing them to reduce hiring costs, the majority were clear on the benefits of a blended workforce. As for how they planned to approach hiring, a plurality of respondents (50%) preferred to use recruitment firms, ahead of in-house teams or any online tools.

Overall, our survey suggests GCC organisations appreciate the agility and flexibility a blended workforce can deliver.

Introduction

The possibilities and potential of a “blended workforce” – the deployment of contract employees throughout the organisation as a fundamental part of the workforce – are tantalising: greater flexibility, better, faster access to skilled workers, and even budgetary advantages.

“Traditional approaches to workforce planning aren’t built to cope with the realities of the evolving work environment. HR leaders need to redesign their workforce planning around work instead of people, and capabilities instead of capacities.”

Matthias Graf, Senior Director Analyst, Gartner. (Wiles 2020)

While the use of such a model may feel out of reach for some organisations, the reality is the world of work is changing in such a way that most organisations will see increasing advantages in moving towards a blended workforce. In this report we look at the benefits, challenges and considerations behind the blended workforce model, as well as how the labour market is evolving to make the model more relevant than ever.

In this report we consider one of the options available to organisations: the use of contract employees as an integral part of a “blended workforce” model. For this publication, HR Observer in collaboration with TASC Outsourcing surveyed 187 management and HR professionals across the GCC on their views on and approaches to this model; here we present this research, and look at some of the benefits, challenges and opportunities the blended workforce model has for regional organisations.

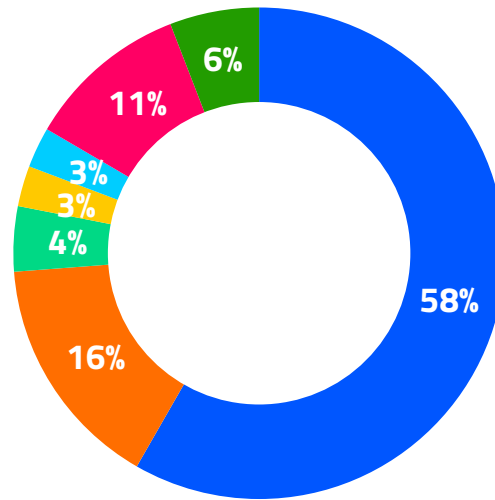
For this publication, TASC surveyed management and HR professionals across the GCC on their views on and approaches to this model. Our research found that the vast majority of GCC organisations say they are ready to embrace the blended workforce model, with most already hiring or planning to hire contract employees.

Despite this, the survey makes clear that full-time employees remain the focus of hiring efforts – and significant challenges to the successful implementation of the blended workforce model remain, most of them focused on issues around organisational culture.

Methodology and Demographics

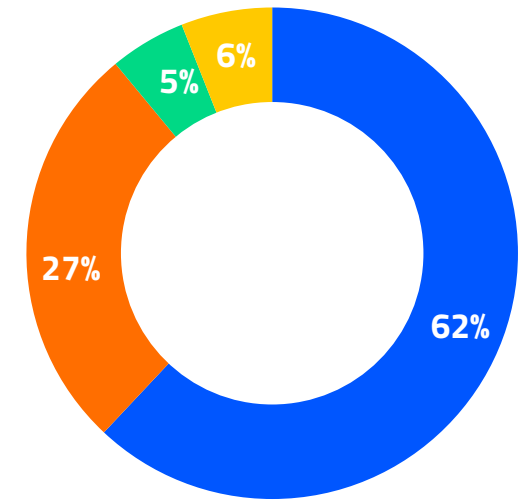
HR Observer in collaboration with TASC Outsourcing surveyed 187 respondents across the GCC in February 2021. 58% were from the UAE, 16% from Saudi Arabia, 11% Qatar, 4% Oman, 3% Bahrain, 3% Kuwait. Six percent worked for organisations with more than 10,000 employees, 5% for organisations with 5,000-10,000 employees, 27% for organisations with 500-5,000 employees, and 63% for organisations with fewer than 500 employees.

Respondents Country of Residence



- United Arab Emirates
- Saudi Arabia
- Oman
- Kuwait
- Bahrain
- Qatar
- Other

Number of employees in respondents organisation

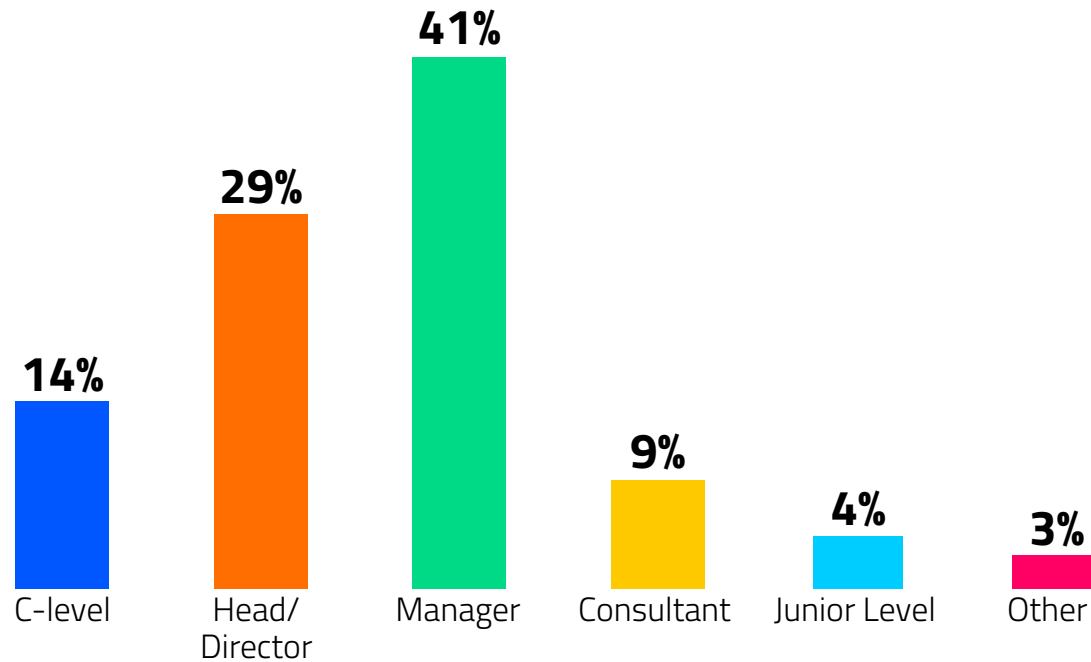


- Below 500
- 500-5,000
- 5,001-10,000
- More than 10,000

Fourteen percent of respondents identified themselves as C-level Executives, 29% as Heads or Directors, 41% as Managers, and 9% as Consultants, with 7% as junior level or other employees. 22% work in general HR, 22% in management, 14% in talent or people management, and 10% in operations. Respondents came from a wide range of industries.

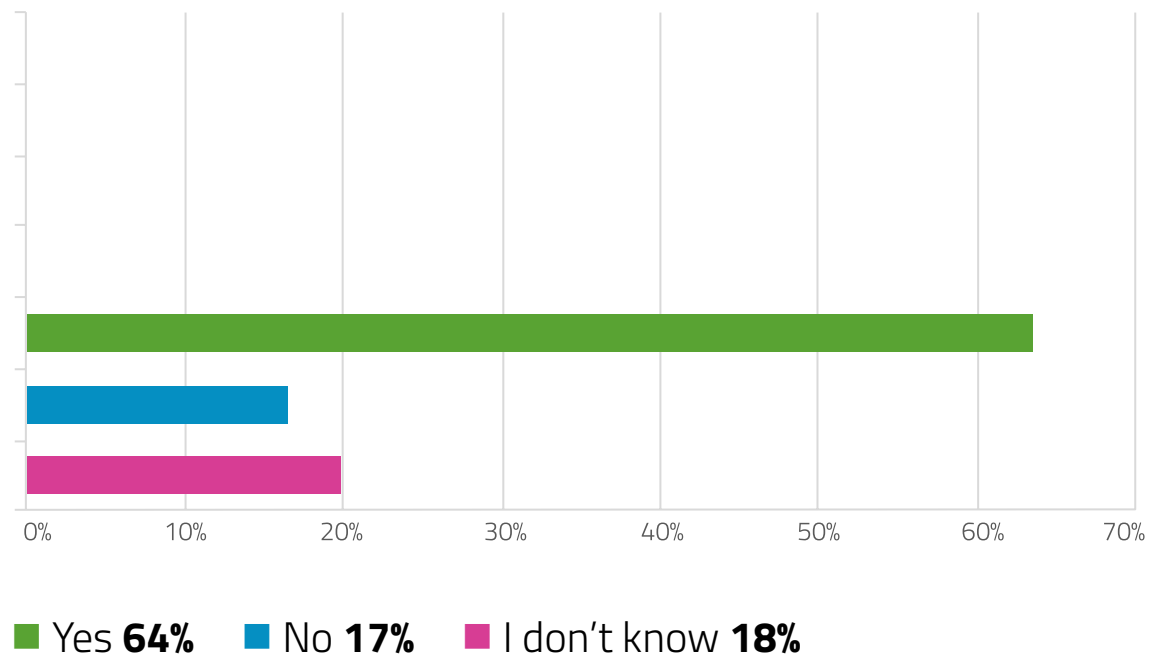


Which of the following best describes your job level?



Section 1: The state of blended workforce in the GCC

Is your organisation ready to adopt a blended workforce model that combines contract employees with full-time employees?



A blended workforce is one which utilises a mix of both full-time employees and contract employees in order to achieve the organisation's goals. In many senses this is not a new development – most large companies have long made use of specialist contract employees to some extent – but the blended workforce model calls for more strategic, long-term use of contract employees.

The GCC has been slower to embrace this model than other global regions. One of the key reasons for this has been the tie between a job and a visa for expatriate workers, making it legally impossible for professionals to work for several different employers or for organisations to hire contractors for a short period without visa expense. But even before the pandemic this tie was loosening, with growing numbers of regional governments creating schemes, usually through free zones, to allow individuals to operate as contract employees – and during 2020, regional governments, particularly in

the UAE, introduced additional measures to help contract employees establish themselves.

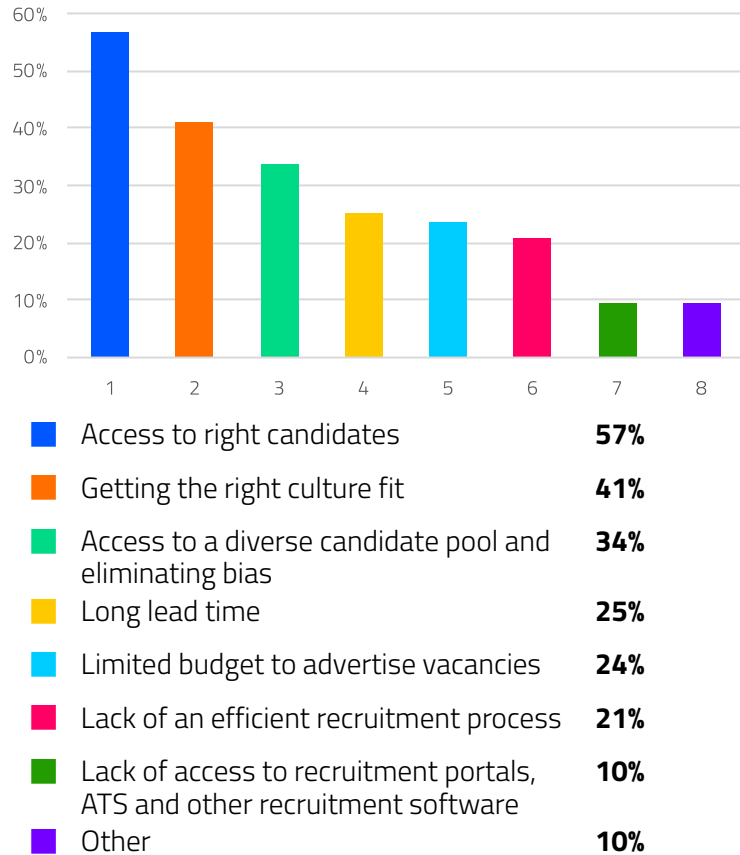
Alongside this comes the rise of online talent platforms, which have disintermediated the link between talent and potential employers, allowing managers to find suitable candidates for roles more easily. As with any market development, this has prompted recruitment agencies and staffing firms to enhance their offerings to employers, such that they now offer significant added value over often-inconsistent online platforms.

For organisations, this access to a growing pool of talent creates new possibilities. In the past, for an organisation to make use of a contract employee for a short period, it would be required to go through the normal visa application process and provide benefits such as health insurance, with all the expense and – perhaps more importantly – administrative overhead this entails.

But by making use of dedicated staffing agencies which specialise in this type of recruitment, organisations are able to develop an almost-frictionless process for sourcing and on-boarding contract employees. Organisations can draw from a larger, more flexible pool of candidates, potentially much faster and with lower administrative costs.



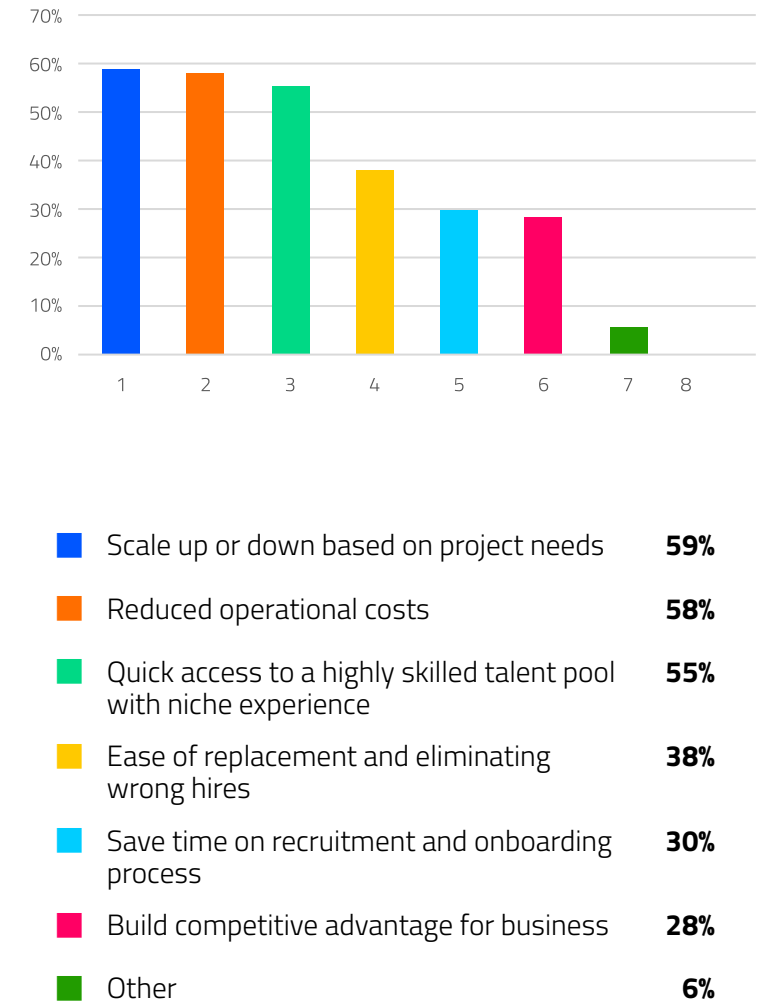
What are your organisation's challenges when it comes to hiring?



This could potentially help to address the number-one hiring challenge our survey respondents reported: access to the right candidates, chosen as one of the top-three challenges by 57% of respondents. When asked for reasons they might hire contract employees, 55% said this gave them quick access to a highly skilled talent pool with niche experience.

57% of the respondents say access to right candidates is the top challenge when it comes to hiring

What are some of the reasons you might prefer to hire contract employees?



But as noted, using contractors is not the same as adopting a blended workforce model. It's interesting to note that on one hand, 64% of respondents reported their organisations were ready to adopt a blended workforce model. On the other, only 31% said a blended workforce model was what their organisations needed to improve their competitive advantage.

There are signs that organisations are increasingly receptive to moving towards this type of approach to human resources: 56% of our survey respondents agreed that COVID-19 accelerated their digital transformation and enabled business leaders to manage remote contract workers. And 52% agreed their organisations were moving away from traditional models of work, and looking to adopt new models which include contract employees.

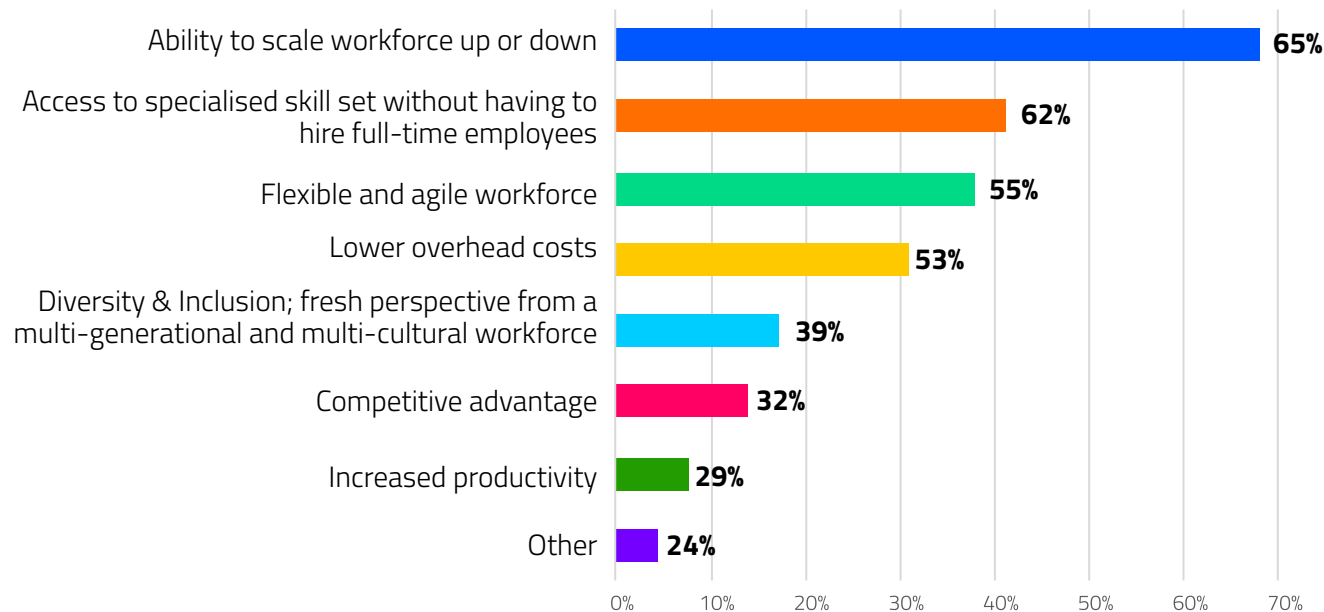
With this in mind, let us look at the advantages of a blended workforce model, and how organisations can potentially benefit from it.

“The primary advantage of [the blended workforce] model is flexibility. As the workload fluctuates—either in a predictable manner by hour, week, month, or season; or in an unpredictable manner, as when the economy is in recession—workers in nonpermanent jobs can be furloughed or let go with relatively little disruption,”

states an IBM analysis of the use of blended workforces in the federal US government. (Thompson and Mastracci 2005)

Section 2: Advantages and benefits of a blended workforce

What do you see as some of the major benefits of having a blended workforce?



Jon Younger and Michael Kearns, authors of the book Agile Talent, identify five main advantages of utilising a blended workforce:

1. Leverage the increased availability of external expertise.
2. Reduce cost.
3. Avoid adding permanent headcount.
4. Increase the speed of getting things done.
5. Challenge internal thinking and assumptions with new ideas from outside. (Younger and Kearns 2017)

These five factors align very well with our survey respondents' top reasons for adopting a blended workforce model, albeit in a slightly different order. The number one benefit for our respondents was the ability to scale the workforce up and down as needed (65%), with 62% choosing the access to specialised skills (without adding new full-time employees). Just over half of respondents saw a flexible and agile workforce (55%) and lower overhead costs (53%) as key benefits, with 39% selecting diversity and inclusion.

Access to skills is set to become a critical issue for organisations everywhere – and providing skills which are in demand is also a major challenge for workers. While immediate crises, such as the COVID-19 pandemic, can cause sudden shocks to markets and alter demand for certain skillsets, a bigger issue is the ever-growing trend towards technological transformation(s). This is disrupting not just roles involving physical labour, but roles involving clerical labour as well.

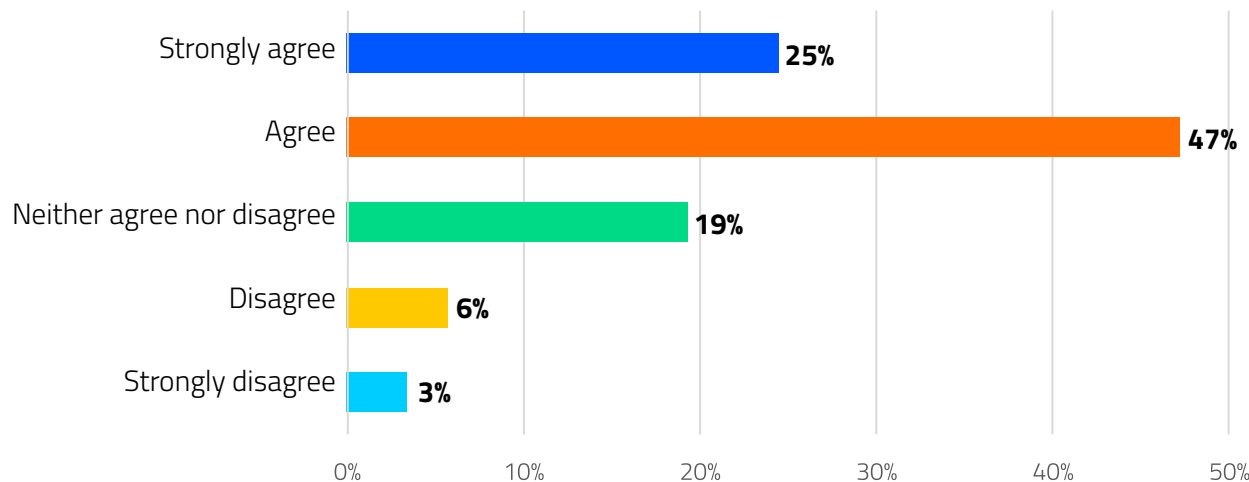
With the blended workforce model it is far easier to address skill gaps caused by technological transformations as well as to adjust to rapid changes in personnel requirements. By having the framework to source contract employees quickly, and a clear plan for their integration within the organisation, an employer can eliminate concerns about their organisational readiness to cope with shifts such as technological transformation(s).

This dovetails neatly with both speed and agility of adjusting an organisation's workforce. The ability to scale a workforce in size, in response to seasonal or cyclical demand, cost pressures or any other factors, comes much more easily with a blended workforce than a traditional full-time employee base.

65% of the respondents say ability to scale workforce up or down is one of the major benefits of having a blended workforce

Here, the cost advantage of contract employees becomes apparent – and for GCC organisations the cost advantage is even more acute, with not only the ability to reduce the size of a workforce being an advantage, but also the ability to cut hiring costs, which thanks to visas and travel expenses can often be significant. In our survey, 72% of respondents agreed their organisations were under pressure to cut hiring costs, while 63% agreed hiring contract employees would give them a cost and capability advantage.

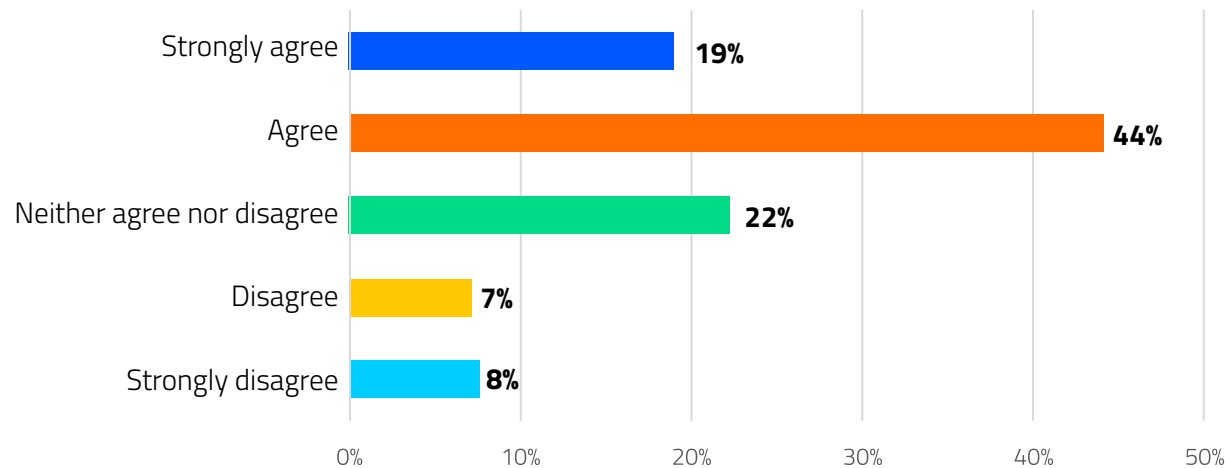
Increasing budget constraints are forcing my organisation to look for ways to reduce hiring costs



"As a result of COVID-19, Organisations are adapting and flexing more frequently due to unpredictable conditions and changing business priorities, and they need to respond quickly. Companies are also pivoting to digital/virtual technologies and navigating a skills gap. HR & Talent Professionals need to partner closely with the business to identify alternative workforce solutions, to meet these unique challenges. This means more 'on-demand' hiring and an increase in contingent worker arrangements such as fixed term assignments, and freelance work. For internal talent, companies should embrace agile concepts, and look at how they can re-shape roles and utilize re-deployment tactics."

Sarah Young, Head of HR, Informa

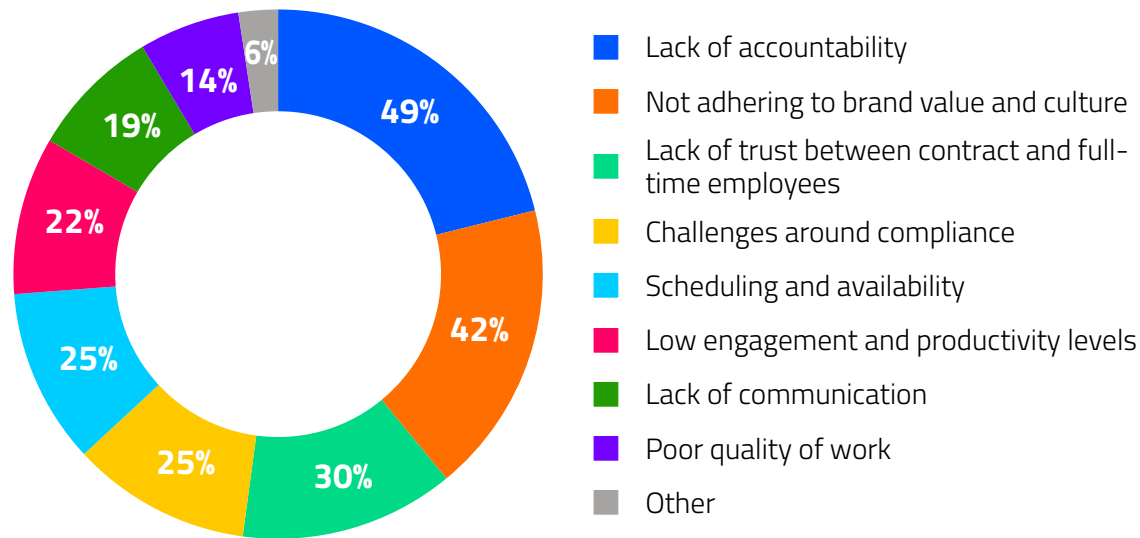
Hiring contract employees will provide a strategic cost and capability advantage to my organisation in 2021



But this very flexibility of a blended workforce, with contract employees brought in and let go with greater velocity than for permanent staff, points to some of the challenges in leveraging the blended model successfully, as we shall now see.

Section 3: Challenges and barriers to a successful blended workforce

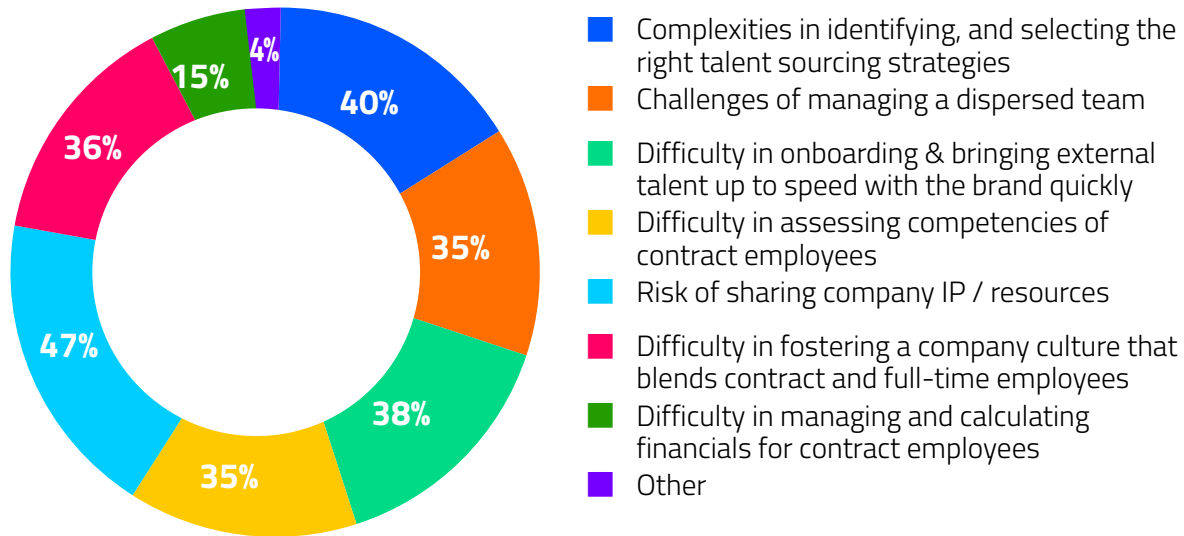
What are some of the challenges you face or foresee when working with contract employees?



We can see similar responses to a question about barriers to leveraging the blended workforce model: 47% noted the risk of sharing company intellectual property and resources, while 38% raised bringing contract employees up to speed with the brand, and 36% difficulty in fostering a blended company culture.

The top three challenges of working with contract employees as identified by our survey respondents are all linked to cultural issues around the use of contract employees. Number one is a lack of accountability, identified by 49%, followed by contract employees not adhering to brand values and culture (42%) and a lack of trust between contract and full-time employees (30%).

According to you, what are some of the barriers in leveraging the blended workforce model?



This, perhaps, goes some way to explaining the disconnect we can see between responses to different survey questions. As we've discussed, the GCC executives surveyed seem to have a good grasp of the benefits of utilising contract employees, but only a lukewarm interest in making greater use of them – indeed, 67% agreed that their organisation's focus in the year ahead would be on hiring full-time employees.

In this, our respondents are not alone: such cultural issues around the role of contract employees in an organisation are common across the world.

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Few companies have developed cultures that accommodate transient, outside talent; few managers are adept at overseeing teams that consist of workers with different backgrounds, levels of commitment to the organisation, and access to company resources. Companies will have to revisit an array of policies and procedures to make identifying, recruiting, onboarding, and offboarding [contract employees] efficient.”

said Harvard Business School professor of management practice Joseph B. Fuller (2020).

As to the wider cultural issues, Younger and Kearns make some useful practical suggestions to assist with the integration of contractors within a workforce, including making sure managers have a clear strategy for dealing with contractors, and do not treat them as “second-class citizens”. But one of the most significant points they make is to highlight the importance of developing deep, long-term relationships with contractors and sources of talent.

This leads us to one more barrier to adopting a blended workforce: complexities in identifying and selecting the right talent sourcing strategies, which 40% of respondents said was a significant barrier.

To discuss this, we need to consider the role of staffing agencies in getting faster access to contract employees, and the evolution of talent market and organisations.

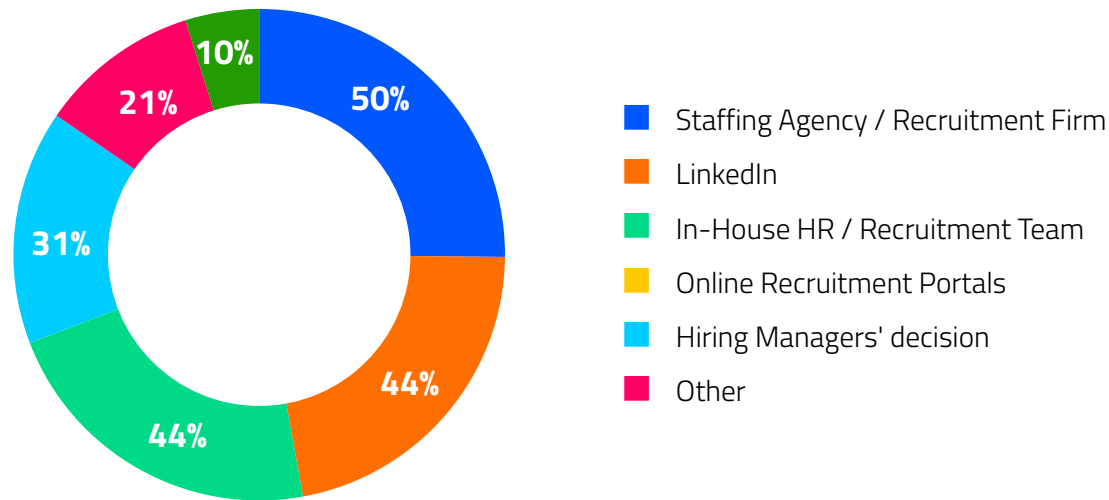


“HR leaders and professionals appear only marginally invested in the blended workforce; instead, they remain primarily focused on the planning, recruitment, and management of full-time employees. From an HR perspective, agile talent and a blended workforce shouldn’t be viewed as a competitor to HR and to employees, but as a complement that will allow HR leaders to truly meet the strategic needs of the business, while also helping core employees be more successful.”

(Younger and Kearns 2017)

Section 4: Evolving recruitment strategies

What would be your preferred way to hire contract employees?



Despite the much-hyped rise of online recruitment tools, our survey results clearly show regional leaders have a strong preference for using staffing agencies to recruit contract employees, with 50% of respondents selecting this option as their preferred choice.

It is also clear there is an appetite for applying new technology to hiring challenges. When asked how their organisations were preparing for future recruitment needs, the top answer, given by 50% of respondents, was turning to tech solutions.

Our survey responses also make clear that organisations understand the need to be attractive to potential workers, and the increasing challenges in remaining so. More than three-quarters (76%) of respondents agreed that automation and digitalisation were increasing demand for highly skilled talent – and 48% said they were preparing for future recruitment needs by enhancing the employee value proposition.

While organisations may still be more focused on hiring full-time employees than contract employees, as our survey suggests, they are likely to find the job market shifting around them. Increasing numbers of regional professionals are turning to contract work, partly driven by the loss of jobs during the pandemic, but also driven by the increasing ease of making the switch from full-time work with one employer to becoming a contract employee.

Given this, regional organisations are highly likely to find the talent they want in the form of contract employees – and in the case of people with highly sought-after skills, contract employees who are less interested in becoming a full-time employee. More than anything else, this may force organisations to embrace contract employees not just as fringe elements of the workforce, but an integral part of it.

And when faced with an increasingly fragmented and disparate recruiting pool, organisations will also have to upgrade their talent acquisition strategies.

While some may try to develop this in-house, our survey suggests the preference for many remains dedicated specialist recruitment agencies, which have the tools and market knowledge to tackle this challenging recruitment environment.



"The ability to engage people on flexible contracts will open up a much wider and diverse talent pool for businesses to hire from and help employers reduce operating costs.

This will result in an increase in household income from new employment opportunities and will raise standards of living and potentially see an increase in local spend – boosting the regional economy"

Dominic Keogh Peters, Group Director for People Operations at Axiom Telecom UAE

Conclusion

The blended workforce model is a concept on the brink of wider adoption by organisations. As we have seen, GCC executives are aware of the idea, and persuaded by many of the benefits of utilising contractors as part of the workforce.

However, as of early 2021, most organisations have not yet taken concrete steps towards adopting the model, often for justifiable reasons, particularly around issues of integrating contractors into organisational cultures. Moving to a blended workforce model is not a small task for any organisation, and should not be taken lightly.

But regional executives' familiarity with the idea of blended workforces, and their openness to many of its principles, may well serve the GCC's organisations well, as they confront a labour market and economic climate which is changing rapidly in the wake of COVID-19 and in the face of increasing automation.

Overall the blended workforce model comes with significant practical advantages for the region's enterprises and labour force. Driven by practical benefits and fueled by the support of cutting-edge recruitment agency partners, organisations which take the plunge now may well be able to reap the rewards sooner than they think.

About TASC Outsourcing



TASC Outsourcing is a leading talent management company delivering unmatched high-quality people solutions; our current roster of talent is over 5,000, comprising 70 nationalities in 75 job functions across various sectors in the region. We dedicate a team of specialists who understand the unique staffing requirements of specific sectors, connecting the right people with the right opportunity and creating value for both employer and employee. This is exactly the reason why we have become one of the most preferred talent providers across the GCC for IT, Telecom, Retail, FMCG, Banking and Finance, as well as Corporate and Back-Office Support. TASC offers Contract Staffing, Permanent Recruitment, Nationalization, Payroll, PRO, & PEO services.

TASC Outsourcing's vision is: "To build an inspiring, innovative and global company that provides high quality people solutions delivered with unbeatable service to its customers. To do this by providing an environment for learning, growth and advancement for its employees."

[Learn more about TASC Outsourcing](#)

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