

This month's "Spotlight" topic:
The New "Blended" Workforce

Hurricanes Temper Job Growth in September Even As Unemployment Rate Improves and Wages Rise

JOB GROWTH: The double whammy of Hurricanes Harvey and Irma put a dent in job growth in September. With 1.5 million people out of work (most temporarily) due to the storms, the economy registered a net loss of 33,000 jobs. This was the first month of negative growth since 2010.

TOP INDUSTRIES: With the restaurant industry a major employer in the states most impacted by the storms, the leisure and hospitality sector lost more than 100,000 jobs in September—its biggest loss since 1945. No significant growth was seen in any other sector.

UNEMPLOYMENT: The unemployment rate shaved another 0.2 percentage points in September, hitting its lowest level since 2001, coming in at 4.2 percent.

WAGES: One bright spot in an otherwise bleak jobs report was positive movement in payrolls. Average hourly earnings in September brought the average annual rate up to 2.9 percent.

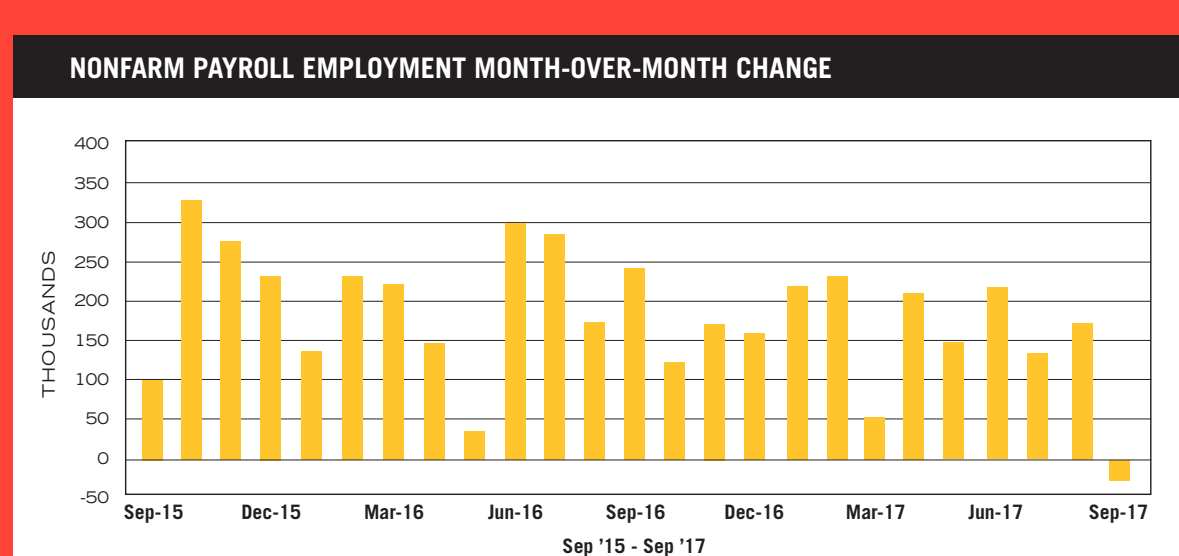
WORK WEEK: The average work week was unchanged from last month's 34.4 hours.

TEMPORARY JOB TRENDS: Although job gains in the sector were reported to be flat in August, revised figures showed growth of 7,500 jobs that month. September growth of 5,900 jobs underscores continuing momentum on the contingent labor front.

WHAT DOES IT ALL MEAN? The big news in September isn't the loss of jobs, which is considered a fluke driven entirely by Mother Nature, it is rising wages and declining unemployment. Both signal a tighter labor market, in which employers are forced to open their wallets wider to attract increasingly difficult-to-secure talent.

Sources: U.S. Bureau of Labor Statistics (BLS), Steinberg Employment Research, CNBC, Business Insider, ABC News, The Wall Street Journal.

CHART 1: EMPLOYMENT NUMBERS / SOURCE: BLS



The job market took a hurricane hit in September, with a net loss of 33,000 jobs.



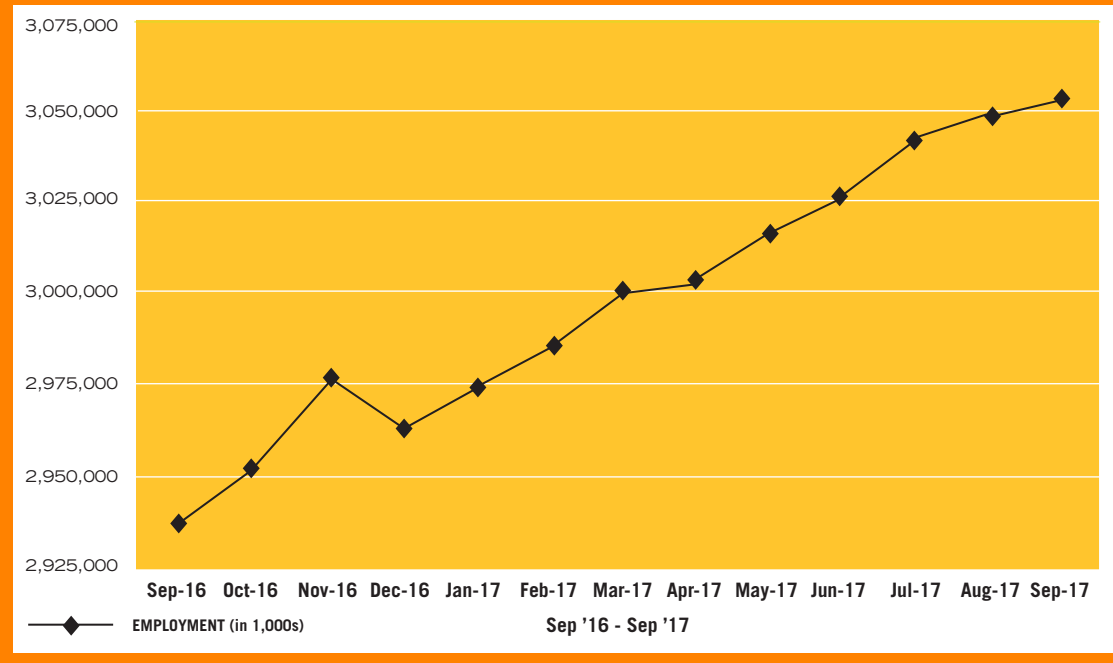
CHART 2: TOP INDUSTRIES / SOURCE: BLS

September saw slower job growth across the board, with leisure and hospitality taking the biggest hit.



SECTOR GAINS	JOB INCREASE
Transportation & Warehousing	+21,800
Healthcare & Social Assistance	+13,100
Professional & Business Services	+13,000
Financial Activities	+10,000
JOB DECLINE	
Leisure & Hospitality	-111,000
Retail Trade	-2,900
Manufacturing	-1,000

CHART 3: TEMPORARY WORKFORCE / SOURCE: BLS & STEINBERG EMPLOYMENT RESEARCH



Temporary employment continued to trend positively, bumped up by another 5,900 jobs in September.



The New "Blended" Workforce

The continuing talent shortage has led to increased reliance on contingent workers, giving rise to the "blended" workforce, with traditional employees working alongside a growing number of contract, freelance and temporary workers. As the size and penetration of the contingent workforce grows, employers face new challenges to integrate many different types of workers sourced by multiple agencies and under the day-to-day direction of various managers. What is the impact of a blended workforce on engagement and productivity? How do traditional employees feel about this new paradigm? How are employers managing the complexity? These are some of the questions explored in the latest Emerging Workforce® Study, commissioned by Spherion.

Most employers and employees, especially younger workers, are positive about a more blended workforce. Employers believe a blended workforce can enhance workforce quality, flexibility and business agility. Employees say contract/freelance and temporary employees in their company work well with permanent employees and contribute equally to the workforce. The biggest employer challenges in managing a blended workforce relate to team effectiveness and culture.

As employers explore the potential of the blended workforce, new approaches to workforce management are emerging. Traditional human resources policies and practices are evolving. Communication and collaboration are becoming increasingly important in the drive to enhance performance. Now more than ever, employers need to focus on creating cohesive work environments that embrace collaboration between the contingent and traditional workforces to ensure the business potential of a blended workforce can be maximized.

CHART 4: BLENDED BENEFITS / SOURCE: 2017 SPHERION EMERGING WORKFORCE STUDY

Employees and employers agree a blended workforce is good for the workplace

A single, integrated hiring strategy for contingent and full-time workers will result in higher workforce quality

65%

The flexibility of the contingent workforce has allowed the organization to remain nimble during economic ups and downs

73%

The flexibility of the contingent workforce has allowed the organization to protect its full-time workforce

67%



CHART 5: BLENDED BELIEFS / SOURCE: 2017 SPHERION EMERGING WORKFORCE STUDY



Most employers and employees believe contract/freelance/temp employees:

	Employees	Employers
Are treated the same as perm employees in their organization	55%	57%
Contribute equally in comparison to permanent staff	61%	63%
Work well with permanent employees	70%	81%

CHART 6: BLENDED CHALLENGES / SOURCE: 2017 SPHERION EMERGING WORKFORCE STUDY

What challenges does a blended workforce pose for employers?

- 33% Building strong, effective teams
- 29% Building a strong, unified culture
- 18% Controlling costs
- 17% Retaining freelancers when more interesting/better paying opportunities surface
- 4% Retaining full-time workers who may feel threatened by freelancers

