



STAFFING INDUSTRY ANALYSTS

Global



Core Skill Sectors and Industry Segments

Global Talent Platform Survey: 2022

August 29, 2022

Brian Wallins, Research Director | bwallins@staffingindustry.com

Kevin Chen, Research Associate | kevin.chen@staffingindustry.com



Contents

- Key Findings3**
- About the Research and Respondents4**
- Talent Platform Services for Platform Workers.....5**
 - Types of Work Arrangements.....6
 - Payment Models.....7
 - Training Programs.....8
 - Platform Worker Benefits.....9
 - Vetting Talent10
- Talent Platform Services for Buyers.....11**
 - Pricing Models12
 - Candidate Matching: Human + Machine13
 - Feature Preferences by Client Size.....14
 - Relationships with MSPs & VMS.....16
- Data Security and Compliance.....17**
- Growth Opportunities.....18**
- Long-term Trends of Greatest Impact on Talent Platforms.....19**
- Profile of Global Talent Platform Survey Participants.....22**

Global Talent Platform Survey: 2022

Key Findings:

- All talent platforms facilitate work arrangements of independent workers. However, many are branching out from serving independent freelancers exclusively. The connection of the platform to Statement of Work (SOW) contractors to projects is the most common alternative arrangement, with nearly half (48%) of platforms surveyed offering this service. In a sign of convergence with staffing, 26% of talent platforms surveyed also match temporary employees and permanent hires.
- With skills gaps contributing to talent shortages across industries on a global basis, talent platforms are uniquely positioned to expand their value proposition by upskilling/reskilling workers. Hence, it comes as no surprise these marketplaces are increasingly layering in learning capabilities. Our survey found nearly two-thirds (63%) offer online training to platform workers, a significant increase from our 2021 survey where just one-third of respondents offered such services.
- Talent platforms rarely allow workers into their communities without some degree of vetting. This was evident in our survey as 89% participants indicated they vet workers to some degree. Worker ratings/reviews (67%) is the most frequently utilized method to vet workers, followed by reference checks (56%)
- When asked whether there is a human layer involved in the matching and curation of talent, an overwhelming 96% of talent platforms indicated there is indeed a human layer included, up from 80% in our 2021 study. The result contradicts a common misconception that these are purely self-service models.
- Most talent platforms do not partner with MSP and VMS providers. Only 26% of respondents engage with MSPs and 23% with VMS, respectively.
- When asked the open-ended question, “Which trends do you think will have the greatest positive impact on your business over the next 10 years?”, rising acceptance of contingent/freelance work (41%) emerged as the top theme, closely followed by skill shortages (36%) and flexible workforces (32%).
- Similarly, we asked, “Which trends do you think will have the greatest negative impact on your business over the next 10 years?” Whereas the responses were varied on positive factors, the trend that could have the greatest negative impact was clearly skewed toward legislation (45%). The economy (25%) and conventional workforce strategies (20%) also garnered the attention of respondents.



About the Research and Respondents

- This is the second Global Talent Platform Survey published by SIA. This report is structured similarly to SIA’s long-running North America Staffing Company Survey (2009-2022), making relevant benchmark data, best practices and industry trends more comparable between the talent platform and staffing markets.
- Results are based on findings in our survey conducted from July through August 2022. About 300 talent platforms were invited to participate. We received 33 survey responses in total. Of these 33 responses, six were removed due to incomplete responses, missing contact information to validate data or the company not meeting SIA’s definition of a talent platform. For example, responses from temporary staffing platform companies were not included.
- The 27 qualifying companies represent talent platforms of various sizes, industries served, and services offered. Further detail on the profiles of talent platforms that participated in the survey, such as size and client base, may be found in the “Profile of Global Talent Platform Survey Participants” section beginning on page 22.
- The individuals representing these companies come from various levels of senior management and years of experience. No weighting or other statistical adjustments were performed on the results.
- The overall data presented in this report have been computed with diligence and care, but inasmuch as survey data is a sampling of a larger population, should be viewed as directional rather than precise.
- All currencies have been converted to US dollars.

Talent platforms facilitate direct, digitally-enabled work arrangements of independent workers, from sourcing through payment. These platforms enable hirers to find and engage independent workers to transact and complete various kinds of work, typically of a contingent nature. These work arrangements may be completed remotely or in-person, though most frequently are remote, and are typically transacted through an online marketplace.

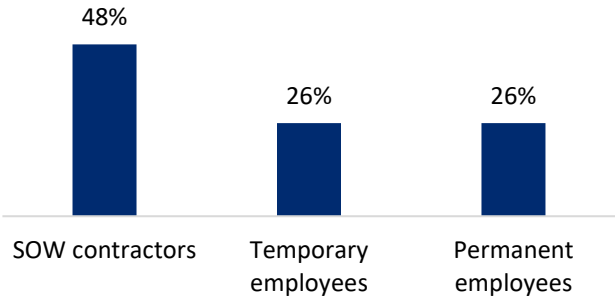


Talent Platform Services for Platform Workers

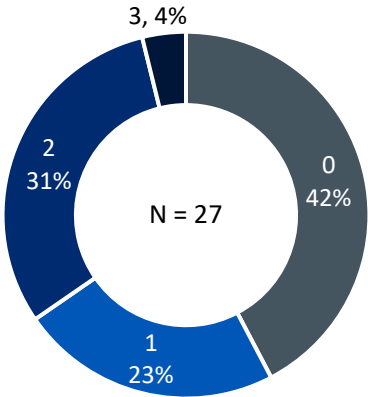
Work Arrangements Served by Talent Platforms

- Talent platforms facilitate direct, digitally-enabled work arrangements of independent workers, from sourcing through payment. These platforms enable hirers to find and engage independent workers to transact and complete various kinds of work, typically of a contingent nature. These work arrangements may be completed remotely or in-person, though most frequently are remote, and are typically transacted through an online marketplace.
- As described above, by definition, all talent platforms facilitate work arrangements of independent workers. However, as shown in the chart to the upper right, many are branching out from serving independent freelancers exclusively. The connection of the platform to Statement of Work (SOW) contractors to projects is the most common alternative arrangement, with nearly half (48%) of platforms surveyed offering this service. In a sign of convergence with staffing, 26% of talent platforms also match temporary employees and permanent hires, respectively.
- As shown in the chart to the bottom-right, 16 of the 27 talent platforms surveyed (58%) offer more than one work arrangement, in addition to freelancing. Just one platform (4%) supports all work arrangement types (freelancing, SOW contractors, temporary employees and permanent employees).

In addition to freelancers, types of work arrangements served by talent platforms (N = 27)



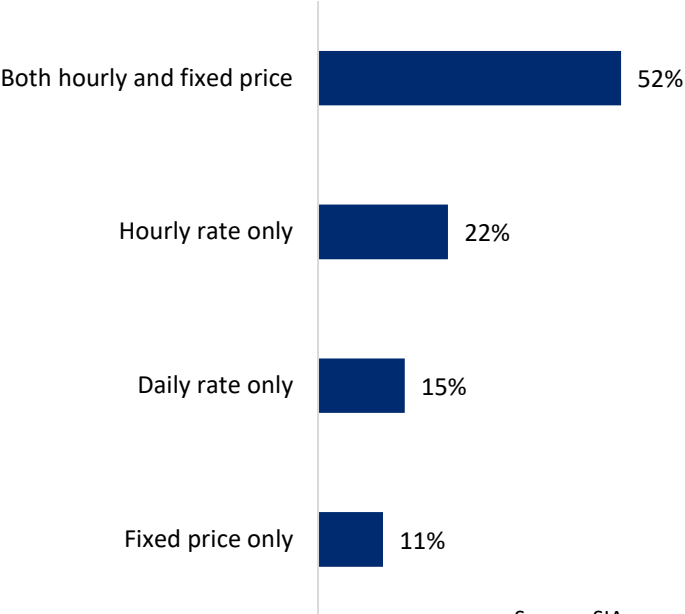
In addition to freelancers, number of other work arrangement types (see above) offered



Majority Offer Multiple Payment Models

- Talent platforms may incorporate various payment models for their workers. These may be through rates assigned to the amount of time worked or projects based on a fixed price.
- About half (52%) of talent platforms surveyed offer both hourly and fixed price payment contracts. The remaining 48% offer a single payment model. Of the two time-based models, hourly (22%) is slightly more common than daily (15%). Just three talent platforms (11%) offer a fixed price model exclusively.
- Payment models are generally greatly influenced by several factors, including budget, timeline and complexity of the project. The hourly bill rate model is simple and offers the most flexibility for updates or new additions to a project plan. On the other hand, fixed price models can reduce risk for the buyer as payment is tied to specific milestones, deliverables and timelines that are clearly defined at the onset of a contract. They also provide increased business visibility for both sides.
- Though not listed as a choice in the survey, two platforms noted monthly rates are also provided as an option.

How are your platform workers typically paid?
(N = 27)

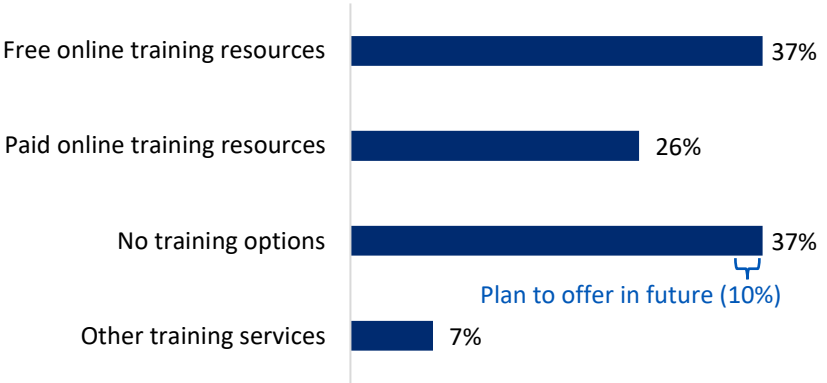


Source: SIA

Online Training Programs Catching On

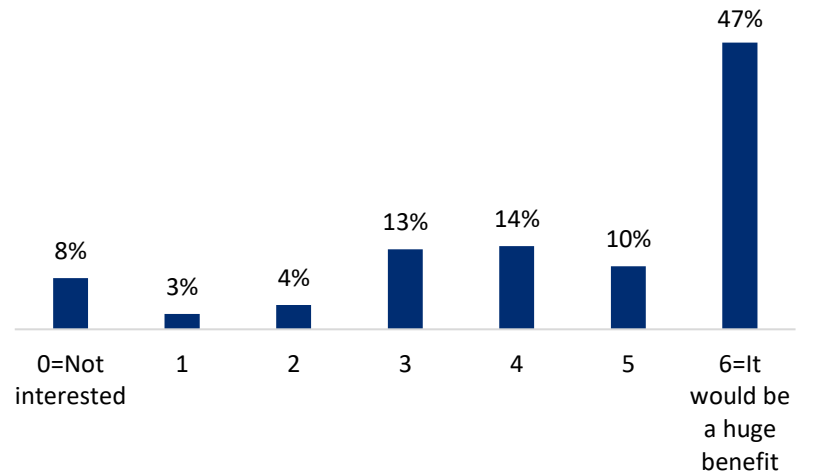
- With skills gaps contributing to talent shortages across industries on a global basis, talent platforms are uniquely positioned to expand their value proposition by upskilling/reskilling workers. Hence, it comes as no surprise these marketplaces are increasingly layering in learning capabilities. Our survey found nearly two-thirds (63%) offer online training to platform workers, a significant increase from our 2021 survey where just one-third of respondents offered such services.
- Just one of the 10 talent platforms not currently offering platform workers online training plans to offer such services in the future.
- Among platforms offering training services, a mix of free online resources (37%) paid online resources (26%) are available in the market. An example of other types of training services (7%) offered by talent platforms mentioned in the survey include discounts for third-party services, brand/marketing support for improving profiles, pricing strategies, best practices for formatting proposals and an annual conference of masterclasses.
- We note the percentages in the chart in the upper right do not add to 100% as some platforms offer more than one type of training.
- Evidence supporting the opportunity in training is shown in the chart to the bottom right, where SIA’s 2022 Temporary Worker Survey reveals temporary workers strongly value training as a perk. Nearly half (47%) of temporary workers were extremely interested in free training opportunities, with just 8% of respondents not interested. The survey also found that 14% of temporary workers would be willing to pay for training services.

Types of training services offered by talent platforms (N = 27)



Source: SIA Talent Platform Survey 2022

Temporary worker ratings for importance of training opportunities (N = 3,777)

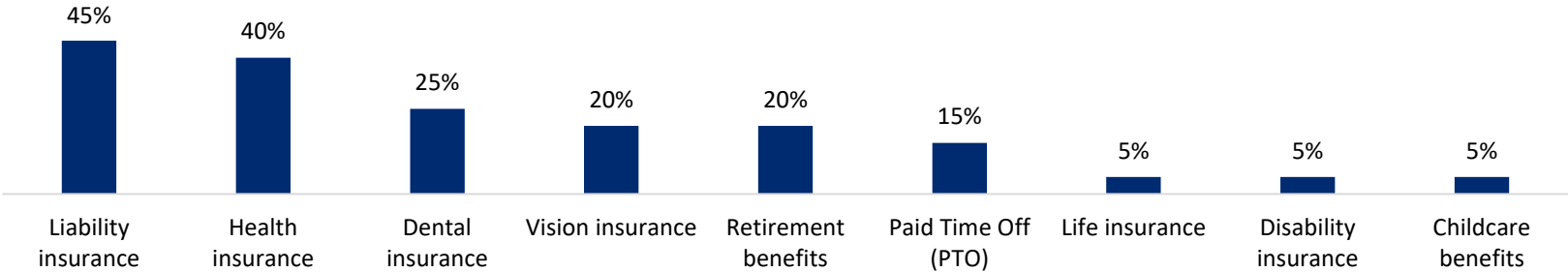


Source: SIA Temporary Worker Survey 2022

Benefits Offered to Platform Workers on the Rise

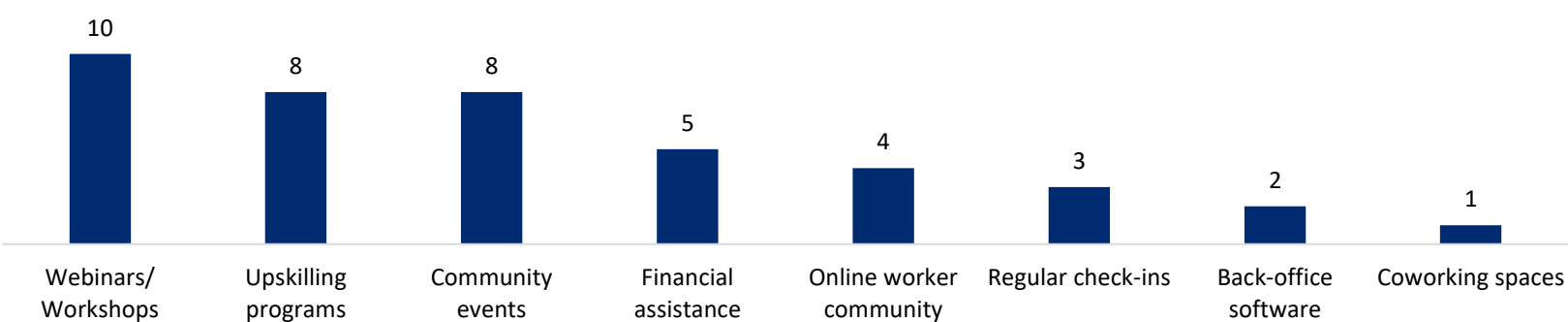
- Since most workers globally on talent platforms are categorized as contractors, there are of course fewer obligations of platforms to offer benefits, compared to full-time employees. Yet, 90% of respondents indicated offering at least one of the benefits listed below. This is in sharp contrast to last year’s study where only 27% of platforms surveyed offered at least one benefit. Liability insurance (45%) and health insurance (40%) are the most offered benefits provided. In many cases benefits are not offered directly, but rather through partnerships. We note seven survey participants bypassed this question, perhaps suggesting an upward bias in the figures below.

Types of benefits offered by talent platforms (N = 20)



- Respondents listed other features and services offered to promote engagement of platform workers. These included upskilling programs, webinars and workshops, online worker communities to allow freelancers to connect and collaborate with each other and referral incentives for freelancers. Webinars and workshops provided by talent platforms offer guidance to freelancers looking to expand their business. Strategies discussed include pricing, self-promotion, interviewing and career progression.

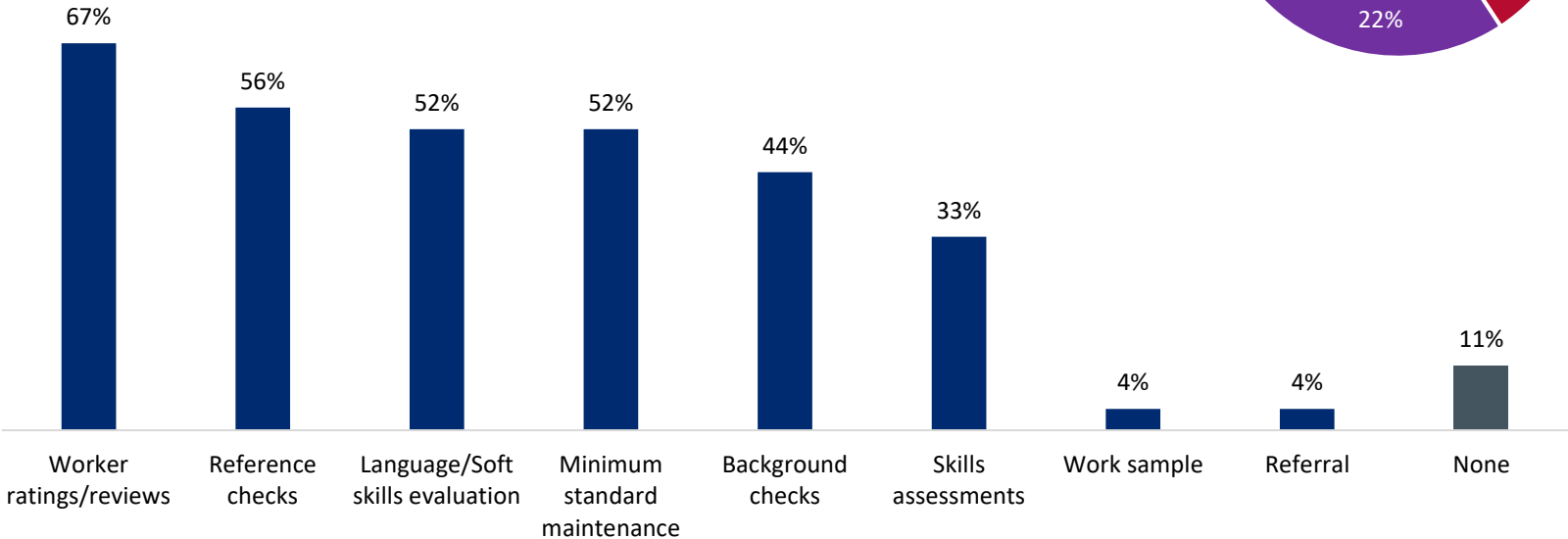
Number of mentions of features and services offered by talent platforms



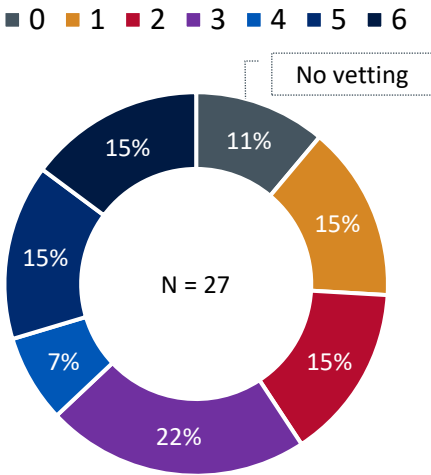
A Spectrum of Steps Taken in the Vetting of Platform Workers

- The vetting of workers has played an important role in the evolution of the talent platform landscape in recent years. Today, talent platforms rarely allow workers into their communities without some degree of vetting. This was evident in our survey as 89% participants indicated they vet workers in at least one of the ways listed below and nearly three-quarters (74%) utilize at least two different methods.
- Worker ratings/reviews (67%) is the most utilized vetting method for talent platforms. More than half of platforms surveyed offer reference checks (56%), language/soft skills evaluation (52%) and minimum standard maintenance (52%). An example of minimum standard maintenance would be a minimum worker rating provided by buyers in order to remain on the platform.

Vetting methods used by talent platforms (N = 27)



Number of vetting methods used by talent platforms



Source: SIA

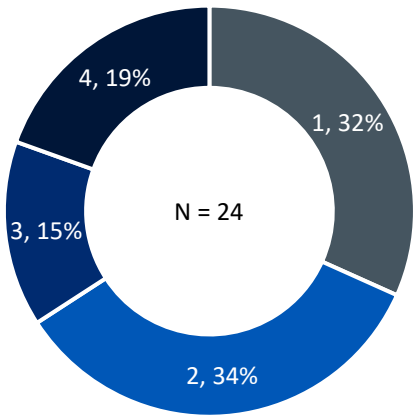


Talent Platform Services for Buyers

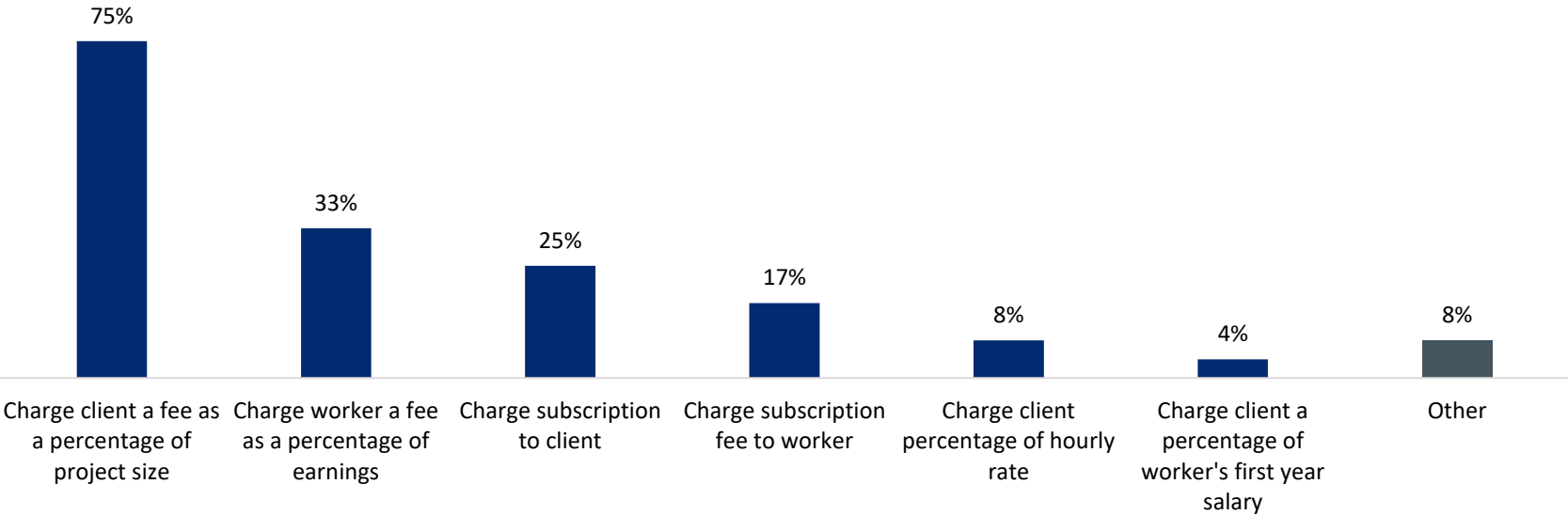
Talent Platform Pricing Models

- Most talent platforms rely on client-side of the marketplace to generate revenue. Our survey reveals 80% of respondents charge fees to the buyer based on a percentage of the project size, with 38% of platforms using this pricing model exclusively.
- One-third of respondents charge the worker a fee as a percentage of earnings. However, only one platform (4%) relies on this model exclusively.
- As shown in the chart to the right, most talent platforms (68%) incorporate multiple pricing models, including 19% that implement four types of pricing.

Number of pricing models implemented by talent platforms



Pricing models of talent platforms (N = 24)

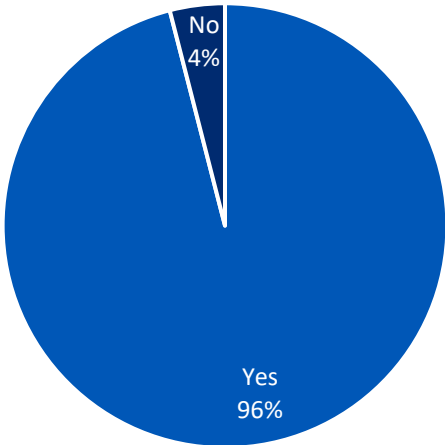


Source: SIA

Candidate Matching: Human + Machine

- When asked whether there is a human layer involved in the matching and curation of talent, an overwhelming 96% of talent platforms indicated there is indeed a human layer included. This is up from 80% in our 2021 study.
- The result contradicts a common misconception that these are purely self-service models. It also reflects a trend of talent platforms becoming increasingly service oriented.
- Technology is increasingly used to augment, rather than replace humans in matching candidates with work, particularly when engaging with larger enterprise clients. This is often the case at the beginning of the matching process in the scoping phase of a project and at the end where results of AI-based matching algorithms are manually reviewed, and candidate lists are curated.
- Despite a great majority of platforms involving humans in matching and curation, it is not uncommon for platforms to offer clients the choice of a pure self-service experience. These services are generally designed to meet the needs of smaller businesses.
- In addition to augmenting candidate matching, humans are often relied upon in vetting platform workers, setting up new accounts and providing client support, such as advising on hiring strategies and educating about features available on the platform.

Is there a human layer involved in your platform's matching and curation of talent for clients? (N = 25)



Source: SIA

Feature Preferences Specific to Smaller Clients

We asked talent platforms which features, or services were particularly important or most often requested specifically by smaller clients. Responses are provided below.

- “Self service and fast delivery”
- “Easy access to talent at the click of a button, affordable services”
- “Free to use... and very quick to return highly relevant matches”
- “Our commission-free freelancer marketplace”
- “Competitive pricing”
- “Rate negotiation”
- “Variety of price range, more junior candidates, tech and data candidates, agile methodology”
- “... purchase pre-scoped projects at a fixed price created by independent talent..., discover, organize, revisit and hire the talent they trust and have collaborated with in the past..., the ability to manage contracts, payment and documents in one centralized hub”
- “Short-listing of candidate applications”
- “...strategic use of non-FTEs..., establishment of talent pools”
- “[The ability to] bring your own freelancers”
- “... the communications and messaging capabilities, and the ease of contracting become key for this group.”
- “Smaller buyers require better vetting of talent (as they have little time to curate talent themselves)”
- “Compliance checks, access to quality talent”
- “Quick briefing process”
- “Generalist consultants to add capacity to existing teams”
- “Interim management”

Feature Preferences Specific to Larger Clients

Responses for features or services of particularly importance for larger clients (e.g., enterprise buyers):

- “Access to a catalog of verified and trusted talent, project managers or success managers, collaboration tools, governance tools, ability to work with freelancers on a long-term basis, invoicing and procurement features”
- “1) Speed from requirement to receiving talent that is equipped to undertake the engagement. 2) Opportunity to review all information on talent applying for opportunities. 3) Sharing information about talent across different team members. 4) Benchmarking information and data on talent at different stages of the process - from understanding expected budgets, through to typical skillsets for different regions.”
- “Detailed analytics and dashboard tools, flexibility to work in various engagements”
- “Single account/multiple users, account management services, invoice customization”
- “Larger buyers require more compliance features and functions as well as more automation”
- “...properly determining worker classification, offering indemnification from misclassification risk..., help identify[ing] highly skilled talent..., bring[ing] in talent they already know and trust..., help reduc[ing] administrative burden and... the risk of fines due to misclassification of contract workers.”
- “Enterprise grade compliance..., talent pooling, virtual benching, and marketplace..., direct sourcing..., a freelancer talent management system... which can be customized or white labeled upon client request..., an on-staff team of full-time and

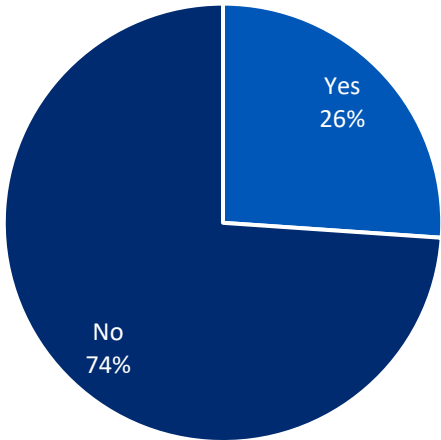
contract recruitment professionals to assist with placements if necessary..., Program Management Office services... for clients looking to scale their contingent workforce programs..., strategic program design and development element that will allow enterprises to re-imagine their workforce mix [and] implement a full-service platform approach to contingent workforce management..., customize their interactions with select talent pools and pursue community-building programs to fuel relationships..., Open Innovation/Crowdsourcing”

- “Managed supplier concept, compliance suite to comply with false self-employment regulations”
- “A lot of education- legal in particular...”
- “Freelance management, ERP capabilities”
- “NDA process, ...contract template upload, procurement approval processes, integrations to VMS SOW module”
- “Seamless integration into MSP/VMS systems and/or the clients total talent strategy.”
- “Specific access to pre-vetted tech skills, ability to have an MSA across multiple regions, rapid onboarding”
- “Hiring entire teams”
- “Bespoke search for senior or long term assignments”
- “Personal service, top level freelancers”
- “Top-notch expertise in a specific topic”
- “Subject matter experts and specialized consultants with a specific/sharp profile”
- “Strategy and management consulting”

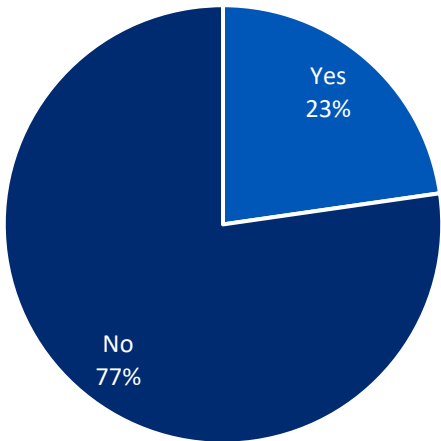
Talent Platform Relationships with MSP and VMS Providers

- There is no universal approach when it comes to talent platform engagement with MSPs. When asked, “Does your platform engage with MSPs?”, results were mixed with 26% indicating “Yes” and 74% indicating “No”.
- Results were predictably similar when asking the same question, but of VMS providers. In this case, 77% indicated “No” with the remaining 23% responding “Yes”.
- Considering the continued ascent in the use of talent platforms within the talent supply chain, even as they move upmarket, where MSPs and VMS providers are well entrenched, particularly in the US, the evolution of these relationships will grow in importance.

Does your platform engage with MSPs? (N = 23)



Does your platform engage with VMS providers? (N = 22)

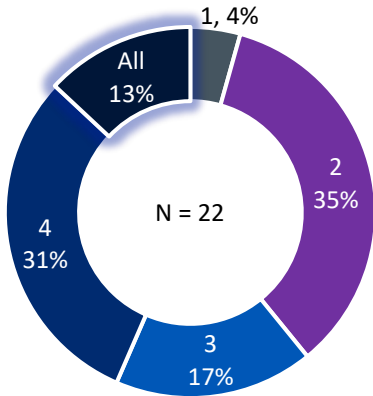


Source: SIA

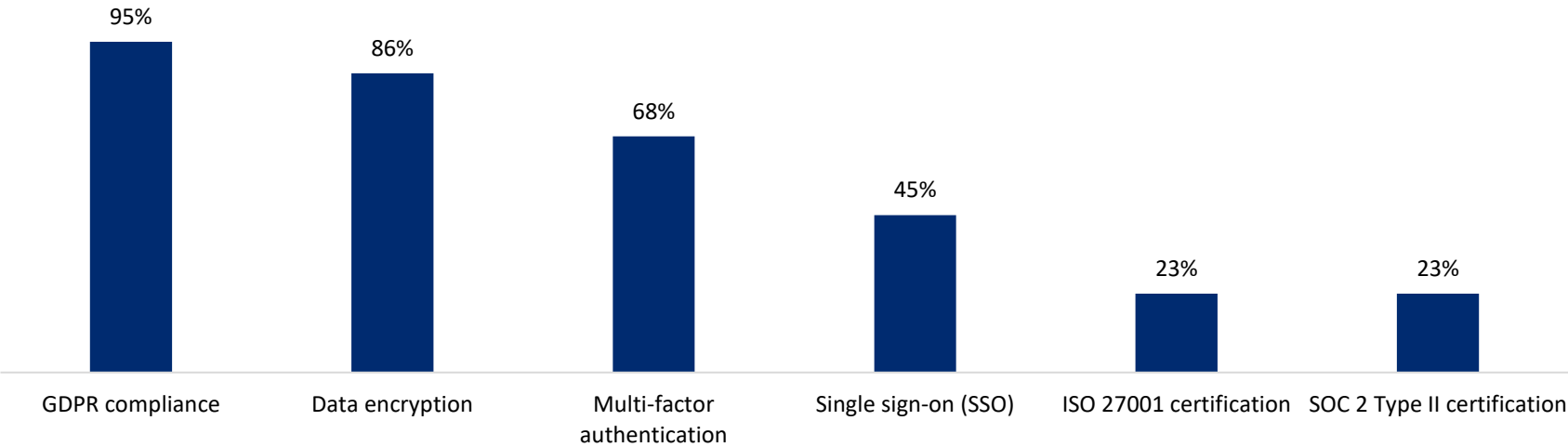
Data Security and Compliance

- Data security and compliance is becoming a bigger priority for talent platforms as cyber threats are on the rise and the provision of freelancers increasingly becomes a global activity. As a result, we introduced a new question in this year’s survey asking participants which specific steps are being taken to safeguard data.
- The results signal talent platforms are generally taking multi-pronged approaches in confronting these risk factors. Overall, 95% of respondents are taking more than one action among those listed below. GDPR compliance (95%), data encryption (86%) and multi-factor authentication (68%) are the most common steps taken.
- However, some platforms are clearly taking more comprehensive measures than others, as displayed in the chart to the right. Three, or 13%, of talent platforms stood out by adopting all six measures.

Number of data security and compliance measures listed below adopted



How does your platform keep data secure and protected (select all that apply)? (N = 22)

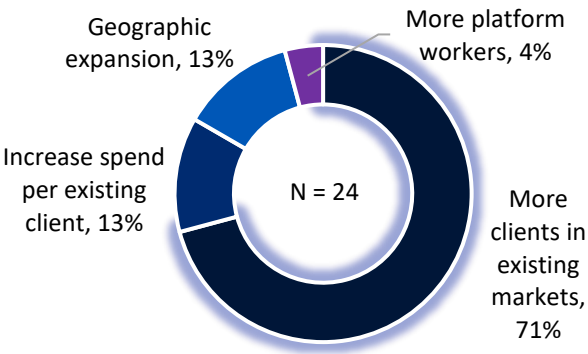


Source: SIA

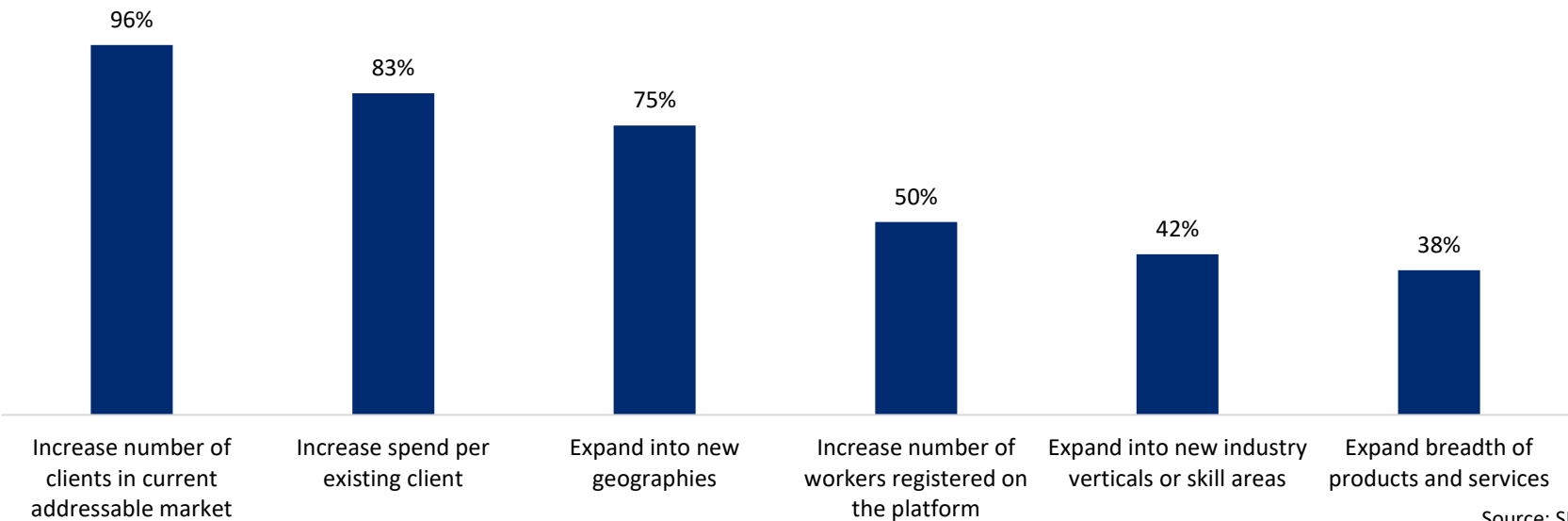
Primary Growth Opportunities Reveal Path Ahead

- When asking participants to identify their primary growth opportunities, three categories emerged above the rest: 1) increasing client base within current markets (96%), 2) increasing spend with existing clients (83%), and 3) expanding into new geographies (75%). We find the results encouraging for the long-term growth prospects of talent platforms as participants see plenty of runway to continue expansion of core services in core categories.
- We also introduced a follow up question in this year’s survey asking, “Of the growth opportunities you selected, which do you consider to be the #1 opportunity?” As expected, “increasing client base within current markets” was again most frequently cited. However, the clear consensus of this view is perhaps surprising, with 71% of respondents indicating this as the single greatest growth opportunity, followed by 13% pointing to increasing spend per existing client.

Of the growth opportunities you selected, which do you consider to be the #1 opportunity? (N = 24)



Primary growth opportunities for talent platforms (N = 24)

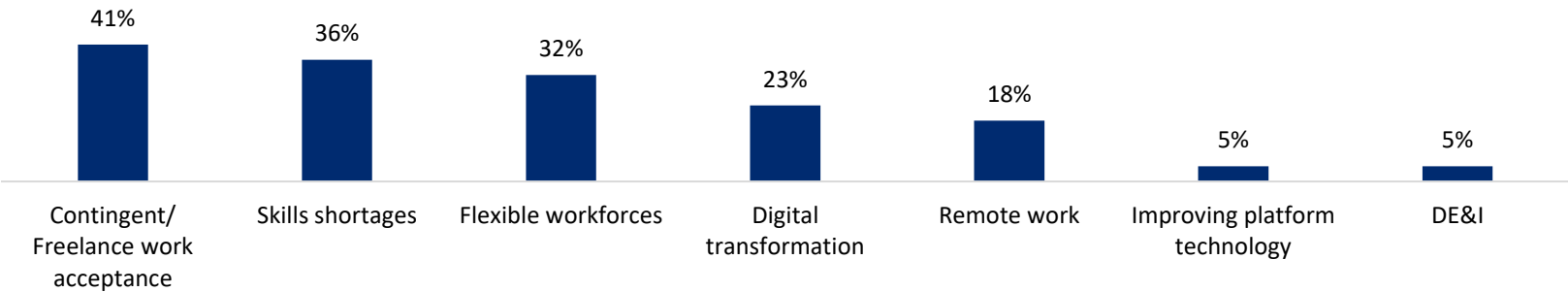


Source: SIA

Opportunities and Threats

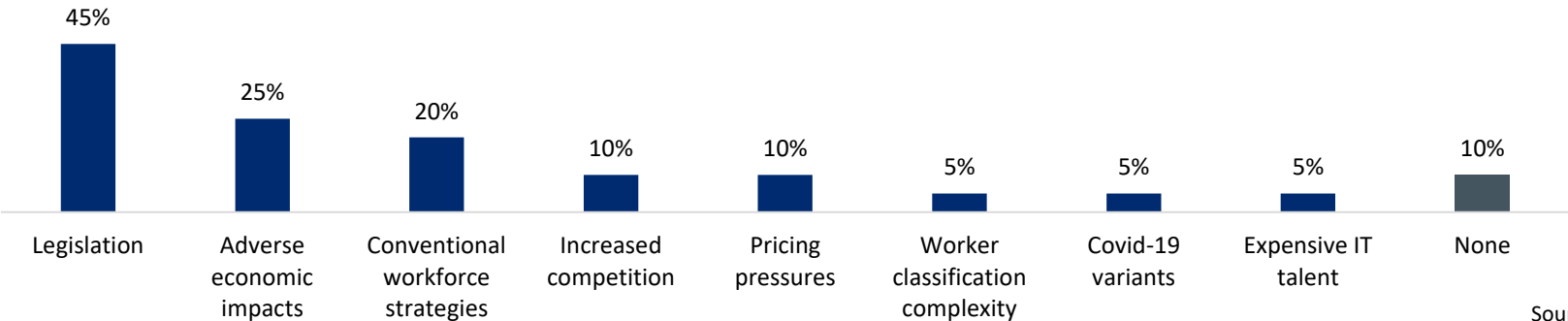
- When asked the open-ended question, “Which trends do you think will have the greatest positive impact on your business over the next 10 years?”, rising acceptance of contingent/freelance work (41%) emerged as the top theme, closely followed by skill shortages (36%) and flexible workforces (32%). Digital transformation (23%) and remote work (18%) also factored prominently.

Positive impacts cited by talent platforms (N = 22)



- Similarly, we asked, “Which trends do you think will have the greatest negative impact on your business over the next 10 years?”. Whereas the responses were varied on positive factors, the trend that could have the greatest negative impact was clearly skewed toward legislation (45%). The economy (25%) and conventional workforce strategies (20%) also garnered the attention of respondents.
- While these charts summarize responses, we provide complete and anonymous responses to both questions on the following pages for additional color.

Negative impacts cited by talent platforms (N = 20)



Long-Term Trends of Greatest Positive Impact on Talent Platforms

We asked talent platforms which trends will have the greatest positive impacts on business over the next 10 years. Select responses are provided below and are grouped by topic.

Preferences for contingent/freelance work:

- “Workers increased interest in becoming freelancers/contractors”
- “The shift by workers to independent work is a powerful trend, and organizations that have not realized that the power of the workforce has shifted from employer to worker are behind the times.”
- “...increased independent talent quality and numbers”
- “The great resignation ensures our talent pools continue to grow with amazing talent”

Skills shortages:

- “The skills shortages experienced by client firms, particularly in the area of digital transformation, which are not going to be solved quickly enough through traditional hiring or internal upskilling”
- “Job resignation numbers continuing... Talent mismatch between available jobs and available skills”
- “Skilled talent demand will increase even more”

Remote work:

- “Hybrid working, with the opportunity to bring in skills without having to relocate talent, and the opportunity to work from anywhere with global businesses.”
- “...adoption of remote and other future workforce models”

Importance of flexible workforces:

- “Desire for workforce to be more flexible - driven by both hiring firms and the workforce; with the firms wanting teams that are more skills-based, rather than roles-based and willing to create more agile teams around this, and for the workforce who are looking to explore different career pathways”
- “Market volatility for employers struggling to match income patterns to fixed staff overhead and fixed staff skillsets”
- “Most companies will opt for hybrid teams... [and] adopt freelancing as a norm”
- “Trend towards flexible on-demand talent in an environment that gets more and more complex”

Digital transformation:

- “Digital transformation will create more demand for our experts' profiles”
- “Growing adoption of SaaS and enterprise software by organizations globally.”

Other:

- “DEI initiatives creating a more open talent economy”
- “Companies are looking for more services and to diversify supplier portfolio”
- “Education of the Hiring Entity away from human resources mentality and approach”
- “...better matching of platforms, collaboration between platforms”

Long-Term Trends of Greatest Negative Impact on Talent Platforms

We asked talent platforms which trends will have the greatest negative impacts on business over the next 10 years. Select responses are provided below and are grouped by topic.

Legislation:

- “Increasing complexity of classification and compliance making flexible working arrangements difficult to manage for business and complicating opportunities for people wanting to work independently”
- “Legislation pressure on gig economy.”
- “Government regulations”
- “Possible regulatory or political barriers”
- “Potentially regulations in certain markets”
- “Compliance and legal situation around marketplaces and co-employment”
- “Regulation. We will see more government regulation impact freelancing”

Adverse economic impacts:

- “Economic factors making independent careers seem higher risk”
- “Recession fears”
- “Market downturn”
- “Economic crisis”
- “Tech bubble will slow down the growth and spend on talent”

Conventional workforce strategies:

- “Preconceived notions that work happens in an office with the majority of work done by full-time employees.”
- “HR being in charge of resourcing”
- “Traditional procurement and legal practices”
- “People who don’t want to change”

Increased competition:

- “More players will appear in the market”
- “Other market entrants”

Pricing pressures:

- “Cheaper talent will play a negative role”
- “Free or very inexpensive access to talent through fully automated platforms”

Other:

- “Lack of clarity between different categories of independent workers”
- “New Covid variants”
- “Cost of software developers.”



Global Talent Platform Survey Profile of Participants (1/2)

Total gross spend¹ generated in 2021 (N = 20)

Revenue in USD	Percent
\$2 million	30%
\$5 million	15%
\$10 million	20%
\$25 million	5%
\$50 million	0%
\$100 million	10%
\$300 million	10%
>\$500 million	10%

Share of 2021 gross spend¹ by client size (N = 19)

	25th	Median	75th
Small Businesses (<\$50M)	5%	10%	40%
Medium Enterprises (\$50M-\$999M)	20%	30%	50%
Large Enterprises (>\$1B)	10%	40%	60%

Annual gross spend¹ growth in 2021 (N = 22)

Revenue Growth	Percent
0%	9%
10%	5%
15%	5%
20%	9%
30%	14%
40%	5%
50%	5%
60%	9%
80%	5%
100%	5%
>100%	32%

Share of platform work performed remotely (N = 23)

	25th	Median	75th
Pre-pandemic	25%	50%	100%
Currently	65%	90%	100%

¹Gross spend includes all funds paid to workers, any fees or markup for facilitating the transaction and any SaaS licensing fees

Global Talent Platform Survey Profile of Participants (2/2)

Share of gross spend¹ by buyer location (N = 19)

	25th	Median	75th
United States	0%	10%	30%
Canada	0%	0%	0%
Other Americas	0%	0%	0%
United Kingdom	0%	0%	15%
Other Europe	15%	60%	85%
Africa & Middle East	0%	0%	0%
Asia-Pacific	0%	0%	0%

Share of gross spend¹ by worker location (N = 20)

	25th	Median	75th
United States	0%	5%	40%
Canada	0%	0%	0%
Other Americas	0%	0%	0%
United Kingdom	0%	0%	10%
Other Europe	10%	65%	93%
Africa & Middle East	0%	0%	10%
Asia-Pacific	0%	0%	0%

Share of gross spend¹ by worker occupation (N = 18)

	25th	Median	75th
IT	10%	35%	98%
Marketing/ Creative	0%	5%	10%
Finance/ Accounting	0%	0%	10%
Healthcare	0%	0%	0%
Engineering	0%	0%	0%
Life Sciences	0%	0%	0%
Legal	0%	0%	0%
Education	0%	0%	0%
Office/Clerical	0%	0%	0%
Industrial	0%	0%	0%
Other	0%	10%	30%

¹Gross spend includes all funds paid to workers, any fees or markup for facilitating the transaction and any SaaS licensing fees


Source: SIA

About Staffing Industry Analysts

Founded in 1989, Staffing Industry Analysts is the global advisor on staffing and workforce solutions. Our proprietary research covers all categories of employed and non-employed work including temporary staffing, independent contracting and other types of contingent labor. SIA’s independent and objective analysis provides insights into the services and suppliers operating in the workforce solutions ecosystem including staffing firms, managed service providers, recruitment process outsourcers, payrolling/ compliance firms and talent acquisition technology specialists such as vendor management systems, online staffing platforms, crowdsourcing and online work services. We also provide training and accreditation with our unique Certified Contingent Workforce Professional (CCWP) program.

Known for our award-winning content, data, support tools, publications, executive conferences and events, we help both suppliers and buyers of workforce solutions make better-informed decisions that improve business results and minimize risk. As a division of the international business media company, Crain Communications Inc., SIA is headquartered in Mountain View, California, with offices in London, England.

For more information: www.staffingindustry.com

For global coverage across the workforce solutions ecosystem, follow us  @SIAResearch and connect via 