Chapter 99
Liquid Workforce:
The Workforce of the Future

Manish Gupta
IBS, IFHE University, India

ABSTRACT

The main objectives of this chapter are to define liquid workforce, describe its characteristics, and outline its implications. This chapter would help readers understand the need for studying liquid workforce and appreciate its importance in the contemporary world. Moreover, it provides a detailed outline of the ways and means that organizations can use to build such a workforce. It highlights the steps an organization can take to enhance the effectiveness of its liquid workforce. In addition, it explores certain best practices in the industry to illustrate how well the fluidity of the workforce can be managed without compromising on organizational goals.

INTRODUCTION

Creating an efficient and effective workforce has been the top priority of the HR function for decades (Sidibé & Campbell, 2015). However, to catch-up with the ever-changing business needs and dynamic corporate environment, the ways of managing workforce have undergone a sea-change since the pre-classical era (Hoang, 2015). Organizations in the modern era are digital, extremely competitive, global, and highly result oriented. In such a scenario, managing the workforce effectively is the best way to retain competitive edge and remain globally relevant (La Rosa, 2016). Whereas the digitization of most of the HR activities has made HR function simpler and efficient, it has also necessitated a turn-around of the current HR practices to address the dynamism in today's workforce (McFarland & Jestaz, 2016). This chapter mainly describes the concept of liquid workforce and how organizations can embrace the dynamic work environment by using their workforce.

Need for New HR Practices

A survey report 'Technology Vision 2016' by Accenture using a sample of more than 3,100 business and IT executives revealed that 33% of the participants feel that the world economy is already affected by digital revolution (Accenture, 2016). It also reported that 86% of the respondents predict a sharp rise in the pace of technological changes over the next three years and organizations are increasingly investing in the tools that help organizations adapt to the dynamism of the digital era. Automation is increasingly taking over manual tasks and a whole lot of millennial are changing the current workforce with their digital insights (Zaino, 2005). Some startling facts also reaffirm the urgent need for embracing these changes. For example, around 43% of the current US workforce is likely to be freelance by the end of 2020 (Neuner, 2013). Practitioners across the globe find its remedy in developing liquid workforce which has certain inherent ability to adjust itself to the highly dynamic business environment. Four major reasons behind the rise of liquid workforce including a steep rise in the number of freelancers, increasing automation of mundane activities, improving the rate of innovation, and entry of 'millennial' into the workforce (FastTrack Press Room, 2016). These reasons are summarized below:

- Increasing automation of mundane activities: There are certain activities in any job that are too repetitive and labor intensive that can be carried out by the machines. Reducing human intervention in such activities is not only cost effective for the organization but also beneficial to the employees as it helps employees utilize their talent in more productive activities. A recent example is of India's ICICI bank introducing software robotics in 2016 with a target of automating 20% of its transactions by the end of the year 2016. The level of digital war can be smelled from the very fact that this decision by the ICICI bank was preceded by an announcement by HDFC bank that it would use physical robots at its branches (Nair & Gaur, 2016).
- A steep rise in the number of freelancers: As the economies are embracing digitization, there is a growing demand of freelancers who are easily available to work on contract. Hiring a freelancer is a win-win decision for the organization and the freelancer. It is because while freelancer can focus his/her attention only on the particular job mentioned in the contract, the organization would only have to pay for the limited time the freelancer worked and needs not to bear the amount that a full-time employee would otherwise take. Several websites such as 'https://www.freelancer.in' bridge the demand-supply gap between the organizations and the freelancers.
- Improving the rate of innovation: It is no longer sufficient for employers to limit themselves to innovations. Instead, they need to go a step ahead and enhance the pace of innovation to survive and thrive in the intense competition. Recently, cognizant carried out a survey on the future of talent and digital skills using a heterogeneous sample of 422 European and U.S. executives (Cognizant, 2016). The findings revealed that majority of executives believe that there is a digital skills gap from "moderate" or "severe." This gap restrains their organizations from realizing their digital dreams. The report also suggests that innovation can be fostered by linking proprietary platforms to 'talent clusters'. It is the transient workforce that can quickly adapt and add value to business reinvention. The company management needs to come forward to junk the old big-sized talent clusters to lean and small clusters that serve a niche.
- Entry of 'millennial' into the workforce: The term 'millennial' or more specifically 'millennial workforce' generally refers to a set of people which entered the workforce 2005 onward. According to a PWC survey 'Millennial at work: Reshaping the workplace' in the year 2011 using a sample

Related Content

What Does the Future Hold for Innovation Management Education?

Klemen Širokand Pia Jääskeläinen (2021). *Research Anthology on Digital Transformation, Organizational Change, and the Impact of Remote Work (pp. 2033-2049).*

www.irma-international.org/chapter/what-does-the-future-hold-for-innovation-management-education/270390

Digital Transformation in the Utilities Industry: Industry 4.0 and the Smart Network Water

Marcelo Teixeira de Azevedo, Alaide Barbosa Martinsand Sergio Takeo Kofuji (2021). *Research Anthology on Digital Transformation, Organizational Change, and the Impact of Remote Work (pp. 838-865).*

www.irma-international.org/chapter/digital-transformation-in-the-utilities-industry/270327

Harnessing the Power of Blockchain Technology in Modern China: A Comprehensive Exploration

Mohamad Zreik (2023). *Supporting Technologies and the Impact of Blockchain on Organizations and Society (pp. 94-112).*

www.irma-international.org/chapter/harnessing-the-power-of-blockchain-technology-in-modern-china/330036

Developing a Participatory Approach to Accessible Design

María Inés Laitano (2021). *Research Anthology on Digital Transformation, Organizational Change, and the Impact of Remote Work (pp. 191-201).*

www.irma-international.org/chapter/developing-a-participatory-approach-to-accessible-design/270294

Innovation Dynamics Through the Encouragement of Knowledge Spin-Off From Touristic Destinations

Sofia Vairinho (2022). *ICT as Innovator Between Tourism and Culture (pp. 170-190).*

www.irma-international.org/chapter/innovation-dynamics-through-the-encouragement-of-knowledge-spin-off-from-touristic-destinations/292778