

- For many firms, this emphasis on being responsive to the external environment has led to a decline in the size of the core group of workers.

Outsourcing

- The most usual method of achieving a flexible workforce structure is by subcontracting work to other firms.
- Outsourcing gives a firm the opportunity to use expertise not otherwise available in the organisation, to offload low-level administrative work, to free employees to undertake more interesting work and to reduce costs.
- Areas of work that are commonly outsourced include: recruitment, training, and payroll activities.
- Such activities can then be increased or decreased at short notice, according to demand, without the need for expensive recruitment and selection processes or the difficult and expensive process of redundancies.

Homeworking

- Advances in technology and the growing availability of broadband mean that many people can work very effectively from home.
- By working from home, employees remove the need to travel, in itself a great saving in time, making them more productive, less stressed and happier, especially if they have family commitments.
 - This can motivate staff by giving them more independence and responsibility and, at the same time, reducing the impact of Herzberg's hygiene factors.
- Organisations can reduce their costs significantly if workers are based at home rather than in the office, but projections that the typical office will cease to exist are probably unrealistic, as many teleworkers find that they miss the social aspects of working alongside colleagues.
- The growing use of flexible workforce structures, and of homeworking in particular, has a significant impact on management and on HR departments.
 - E.g. managers need to be properly trained in how to manage home-workers because different skills are required.
 - HR departments need to ensure that all policies are as robust for those employees who do not work regularly in an office as they are for those who do.

The impact of a more flexible workforce structure on organisations

- **Work activities that are clearly different for core and peripheral groups**
- **Human resources policies and practices that are distinct for each group and that reinforce the different flexibility objectives**
- **Ongoing monitoring of staffing plans to accommodate changing business and employee needs**

Advantages of a flexible workforce:

- The organisation is able to respond more quickly to market conditions by expanding or contracting capacity.
- It can make more efficient use of resources by directing them to the organisation's priorities or strengths.
- It is able to cut down on costs – particularly labour, which for most businesses is their major cost.
- It can make more use of specialists.

Disadvantages of a flexible workforce:

- Such an approach is likely to require a culture change for firms, which might be problematic in the short term.
- Organisations will be dependent on other organisations and agencies outside their direct control.