



## **The End of Traditional Employment**

### **Talking About the Gig Economy's Impact on Unemployment Misses the Bigger Picture**

Researchers are hard at work showing how open business models are better, faster and cheaper than those built on traditional models and many leaders are leading the change towards such models in their organizations.

The future of work brings a lot more to the business ecosystem than the popular talking points. The new talent economy helps businesses grow smart, gives access to on-demand talent, and unleashes people's creativity, fuels innovation.

It's a whole new world of work, one that's fun and exciting.

This wave of change that's transforming the way we work, is rendering the workplace unrecognizable even to seasoned business leaders. Very few companies are equipped to deal with the inevitability of the impact of change on the very fabric of their organizations.

Research shows that one billion people will be working remotely by 2020; an unstoppable wave only picking up momentum by the day. Organizations that have not ridden this wave yet, probably will and sooner than they think.

Numerous studies and articles highlight the growth of freelance or "gig" work. McKinsey estimates that up to 162 million people in the U.S. and EU currently engage in independent work; whereas Forbes suggests that 50% of the U.S. workforce will be freelancers by 2020.

The new world of work, enabled by technology, made flexible work easier for companies to adopt. It's also no secret that people all around the world are attracted to flexible work arrangements. The freedom to work from anywhere without the constraints of bureaucracy helps people stay motivated and focused, saves the company money, reduces individual stress levels, is better for the environment and, the cherry on the top, allows for just more work to get done. Just the elimination of the work commute puts back, one average, a couple of hours to a worker's day, to be used as needed.

With the shift in the way we perceive and relate to work - from somewhere we go, to something we do (and enjoy doing), more companies, cities, and countries are embracing remote work and encouraging flexible set-ups. The drivers behind this differ but the results are the same. Flexible and remote work is no longer a blossoming trend, but is the new normal.

This new way of working gave birth to the platform economy, which has caught fire. Seven of the 10 most valuable companies globally are now based on a platform business model, which is simply described as the creation of digital communities and marketplaces that allow different groups to connect and collaborate.

The companies driving the Platform / Gig Economy celebrate the benefits. Flexibility, additional income, freedom, access to opportunities and ease of use for customers. Equally, the challenges presented by the Gig Economy include lack of stability, absence of benefits, and limited chances for career advancement the traditional way (upwards in a hierarchy).

The biggest change anticipated is inside people's minds. Lifetime unbroken employment is currently considered essential, and normal, Platforms will drive a shift away from this to people working when and where they choose to, but during the transition phase there will be many and massive challenges.

Paradoxically it may be more mature workers with less reliance on a fixed regular income who embrace the nature of gig worker faster than younger compatriots. Or not...

Today organizations are dealing with an entirely new ecosystem, of which HR is smack in the centre, driving this change.

The organizations that curate greater freedom and flexibility in work methods foster more innovation in their business solutions. The more organizations are flexible and agile in their internal processes to engage a contracted workforce rapidly, the better they are able support their full-time employees with fresh thinking and latest practices to support shifting business strategies.

An on-demand workforce helps organizations keep their core people costs stable while ensuring that these core teams are focused on their main areas of expertise, and not being pulled in various directions due to shifting business priorities. Most businesses hire experts because of their subject matter specialisation and then end up using them for every other purpose besides their core expertise, a waste of talent that is tolerated within the current employment model. Everyone acknowledges this, yet everyone equally tolerates it. This is like having a top goal-scorer in your team but only playing them as a forward every other game, with the rest of the time out of position.

Protecting the deep focus of the core team leads to higher job satisfaction, better work performance and retention of the best-performing talent.

Shifting business priorities is likewise a new normal and this required agility means teams must be capable of managing the unpredictability of work. With robotics, AI, and smart technology taking away repetitive, mundane work, a core team supported with a pool of skilled on-demand specialists can

unleash their innovation and create much more than they ever did previously.

Worrying about executing new ideas with limited resources becomes a thing of the past.

Today is about 'limitless resources and skills'. Access to this limitless pool of talent to realize those creative ideas through one platform or the other is a reality. The ability to quickly scale up and down with an on-demand workforce creates a fast pipeline of project specialists ready to pitch in anytime.

Traditionally, teams and leaders can identify business opportunities that could eventually lead to business growth but they lack the time or resources to bring those ideas to life. On-demand specialists can take these great ideas and focus on making them happen in a cost-effective way. This flow of creativity gives business a competitive advantage to continuously improve and to build upon existing offerings.

However, this flexibility in bringing on-demand talent as and when needed, needs to be supported internally with the right organization structure. Top-down organizations cannot survive in an economy that demands rapid responses to market dynamics. Organizations need dynamic team structures instead of traditional hierarchical ones, based on project mindsets. With such teams in place, designed around collaboration and evenly distributed decision-making, plugging in a contractual consultant becomes easier as that person brings in clear unambiguous expertise and value to the project.

This new way of working leads to teams continuously learning from each other - with every new member joining the team bringing in new skills and behaviours, learnt by the others.

Limitless resources, continuous learning, and unleashed creativity - this is the Future of Work.

**It is exciting to see major traction in terms of efforts to plunge into the new world of work, from early to mainstream adoption with more and more leaders now ready to embark on the journey that will digitally transform their talent ecosystem.**