

HIRING

Your Company Needs Independent Workers

by Steve King and Gene Zaino

NOVEMBER 23, 2015



I
like
you.

There has been a lot of debate over the past year about the merits of the “gig economy”—where people work on a project or contract basis instead of holding down jobs as traditional full-time employees. Presidential candidates have weighed in on the pluses and minuses of “gig” or contingent work. Lawsuits against on-demand work companies like Uber and Handy are widely covered in the press while investors continue to pour billions of dollars into similar startups.

For the most part, these discussions and debates have focused on companies like Uber and Lyft that connect independent contractors with customers to provide consumer services. More often ignored is the growing population of contingent workers, including independent

contractors, statement-of-work-based labor, and freelancers who provide services to corporations. But this is a growing population of workers, many of whom are highly skilled.

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How to Be a Company That Employees Love

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It takes a careful mix of mission, management, and culture.

Attracting, retaining, and managing these highly skilled workers will require new ways of thinking about talent management and the role that external talent plays. Companies will need to become “the client of choice” for these high-end contractors.

Recent research illustrates the growing corporate use of contingent workers:

- In 2014, nearly 35% of the average company’s workforce was contingent or contract-based and this percentage will grow to 45% by 2017, says supply management firm Ardent Partners in its 2015-2016 State of Contingent Workforce Management.
- More than half (51%) of corporate HR respondents said their need for contingent workers will keep growing over the next three to five years, according to the Deloitte Consulting’s Global Human Capital Trends 2015 study.
- McKinsey Global Institute’s Connecting Talent With Opportunity in the Digital Age study forecasts that the growing use of online contingent talent platforms could add \$2.7 trillion, or 2%, to global GDP and increase employment by 72 million full-time-equivalent positions by 2025.

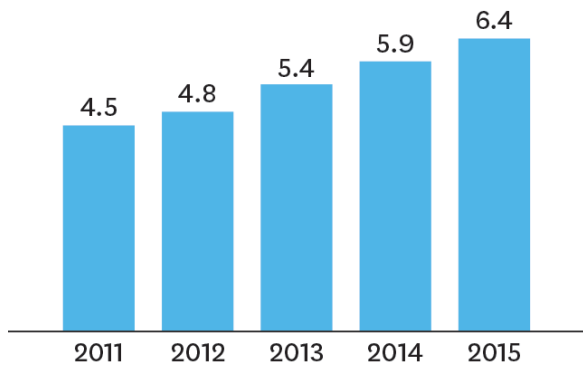
Our own research reinforces these findings. The MBO Partners 2015 State of Independence workforce study found that 6.4 million Americans report that they provide professional services to corporations on a contingent or contract basis. Of these, about 2 million report earning \$75,000 or more last year.

Not only is this group large—by way of comparison, this is substantially more than the roughly 4 million Americans who work in the automotive industry, including those working in car dealerships and automotive parts retailing—it’s also growing. Our study shows the number of

contingent workers providing professional services to corporations has been growing at about three times the rate of overall employment over the past five years.

The Number of Independent Workers Providing Services to Businesses in the U.S. Is Growing

CONTRACTORS, IN MILLIONS



SOURCE MBO PARTNERS, 2015

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are also turning to highly skilled independent workers due to difficulties in attracting and retaining employees with hard-to-find specialized talents.

Second, many skilled professionals want independence and are going into contingent work to gain greater work/life flexibility, autonomy, and control over their careers. These highly talented professionals are realizing they are able to go off on their own and make as much or even more money – so they're doing just that.

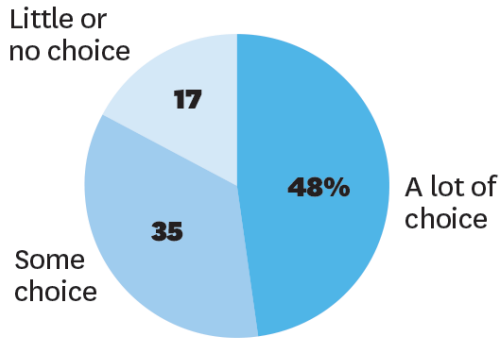
These professionals are in demand, and they know it. According to our research, 83% say they have a lot of choice or some choice over who they work with. Only 17% report having little or no choice over who they work with. In other words, these talented professionals can choose what to work on and with whom to work.

So what do these highly skilled independent workers want from their clients?

Two broad shifts—one on the employer side, the other on the worker side—are driving this boom. First, companies increasingly need a flexible workforce to compete globally. In our research we heard from company leaders that their businesses are turning to independent workers to increase business flexibility and agility. Independent workers allow them to quickly and efficiently scale staffing up and down to meet shifts in demand and changing business circumstances in an increasingly volatile and always-changing global economy. Businesses

Most Independent Workers Have Discretion Over Who They Work With

RESPONDENTS WHO REPORT HAVING...



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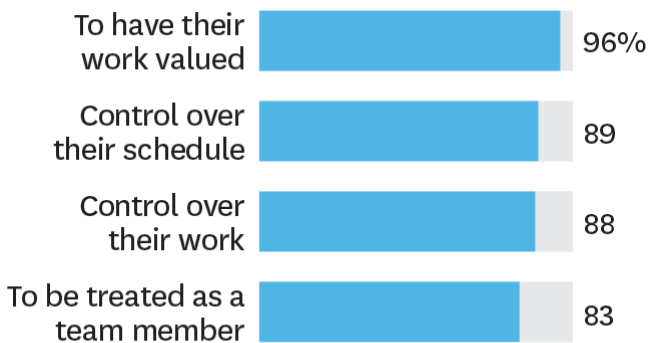
Being paid well and on time is obviously important to independent workers. But less obvious – and generally more important – are the non-monetary reasons independents choose their clients.

Skilled independents want the ability to control their lives, have meaningful work, and to be part of the team. When it comes to deciding which clients to work with, 96% selected “Value my work” as an important client attribute. Right behind was “Allow me control over my schedule” (89%) and “Allow me control over my work” (88%). “Treat me as part of the team” came in fourth. While independents value their autonomy and don’t want to be traditional employees, they also want to be treated as contributing team members.

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What Independents Workers Want From Their Clients

PERCENT WHO RATED THE FOLLOWING “VERY/SOMEWHAT IMPORTANT”



SOURCE MBO PARTNERS, 2015

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Skilled independents are also looking for support services and administrative help. These include a reasonable legal agreement process, quick and efficient onboarding, timely responses to issues or questions about their arrangement.

Beyond administrative help, independents prefer clients that offer additional services that make it easier for them to be successful, such as job boards showing potential new opportunities, access to training programs so they can expand

their skills, and opportunities to participate in networking events and meet-ups with client employees and other contract workers.

~~Companies have long strived to become employers of choice for full-time regular employees~~
Your Company Needs Independent Workers
– the surge in employer rankings and websites like Glassdoor.com and Vault.com demonstrate the importance of doing that. But with non-employees increasingly bringing much-needed talent, companies need to broaden their definition of what it means to be a “great place to work.”

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Gene Zaino is the founder and CEO of MBO Partners, a provider of support, tools and resources for independent professionals and their clients.

This article is about **HIRING**

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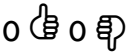
Mike Thebado 15 days ago

Managers need to consider what role the use of contingent resources plays in their specific strategies, and consciously engineer their tactical plans accordingly. Individuals too should consider how and when they might consider going independent, and for what reasons.

One small quibble, I believe that the original version of this article posted digitally mis-identified Gene Zaino, the CEO of MBO Partners, and Gene "Zanio". As a satisfied user of MBO's services, and a follower of their contributions to thought leadership on this topic, I felt compelled to help correct the attribution.

Thank you for the increased attention HBR has been paying to this important topic!

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