Emergence of the Gig Workforce & Total Rewards

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2023 At-a-Glance...

Market turbulence & economic uncertainty

>250,000 layoffs in Tech sector alone

RTO / Hybrid workplace is the norm

Skill gap (*AI*)

Employee engagement

© CEOs taking a "Wait and See" approach in general

2023 Reductions in Force Headlines

























Spotify

general motors



Early Indicators in Q1 2024

The companies that are winning in these current market conditions demonstrate a different leadership and cultural mindset

- Embracing next gen technologies
- Investing in up-skilling
- Diversifying their talent strategies
- Leveraging talent marketplaces

The Rise of the Professional Gig Economy



The Rise of the Gig Economy

60M workers
Growing 3x faster than the
workforce

Over 50% of the workforce will be working independently by 2027

Over 50% of Gig workers provide "knowledge services" such as computer programming, marketing, IT & business consulting

26% have post-graduate degrees 40% earn \$100K+ annually

Gig Value Prop: What's in it for me?

Workers:

- Flexibility
- Autonomy
- Diversify experiences
- Potential for higher earnings
- Ability to build multiple income streams

Employers:

- Flexibility
- Lower fixed costs
- Ramp up/ scale faster
- Access to diverse talent pools
- "Just in time" access to niche skills

Key Considerations

Workers:

- Total Rewards trade-offs
- Quarterly tax payments
- Feelings of isolation
- Career development / career path
- Stability

Employers:

- Compliance (e.g. worker classification, payroll, etc)
- Sourcing & Selection
- Retention
- Access to systems & information
- Team dynamic
- Supervisory responsibilities

The Role of Gig in Your Talent Strategy



Workforce & Talent Strategy

Considerations:

- 1. Operating plan, financial plan, forecasting accuracy, headcount & budgeting approach
- 2. Strategic priorities
- 3. Internal skills supply & demand

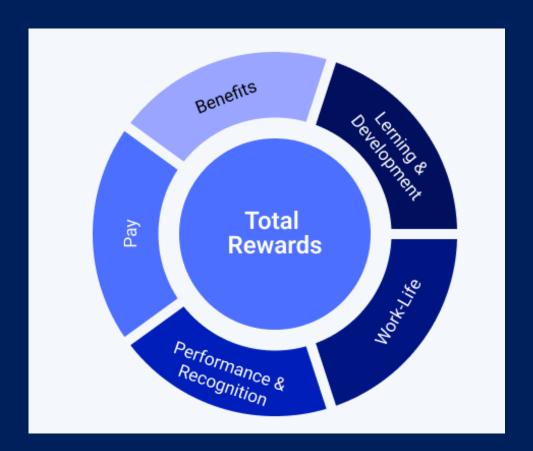
How work gets done	Ideal for
FTE (Status Quo)	Consistent, predictable business forecastingAccurate headcount planning & budgetingLow turnover
FTE (Redeploy)	Access to centralized employee skills databaseFlexibility to redeploy talent"High context" environment to support fast ramp-up
Outsource Partner	- High volume repetitive tasks that can be done cheaper/faster/better by a third party vs. in-house
Contractor/Gig	 Seasonal volume shifts require ramp up/ rap down Recuring work that doesn't require standard 40hr week One-time deliverables that require specialized skills
	- Capacity needs due to turnover, leaves of absence, etc

Aligning Total Rewards to Your Gig Strategy



Total Rewards Defined

The total rewards package is the combination of all the rewards that an organization offers to employees that the employee finds of value (monetary & non-monetary)



Evolving Landscape

- Definitions of long-term and part-time employees

- Independent Contractor classification

- Secure 2.0 (e.g. 401K eligibility)

Rethink "Total Rewards" for Gig

The standard Total Rewards framework for FTE does not translate to Gig:

- Legal/ compliance requirements
- Budget constraints
- Different motivators

Align Rewards to the Gig Value Prop

Determine which levers you can pull to optimize your ability to attract and retain your best Gig workers

- Faster pay
- Sign-up bonuses
 - Upfront cash
 - Equity opportunities
- Milestone incentives
- Career training & development
- Free tools or services related to the work

Closing Thoughts



Gig Is Here To Stay

- Gen Z and Millennials are the most likely to explore Gig:>40% performed gig work in 2022
- Diversified workers become more common: 17% of U.S. workers seek multiple sources of income from a mix of traditional employment and Gig work
- Gig continues to grow among the most educated: 26% of all U.S. freelancers hold a postgraduate degree

Companies Must Evaluate and Adapt

- Gig won't make sense for every company!
- Real benefits and challenges related to Gig work
- Must understand how work gets done and determine the optimal workforce & talent strategy within your current constraints
- Where Gig makes sense, develop a tailored approach to how you will attract, engage and reward Gig workers

Thank you for attending



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