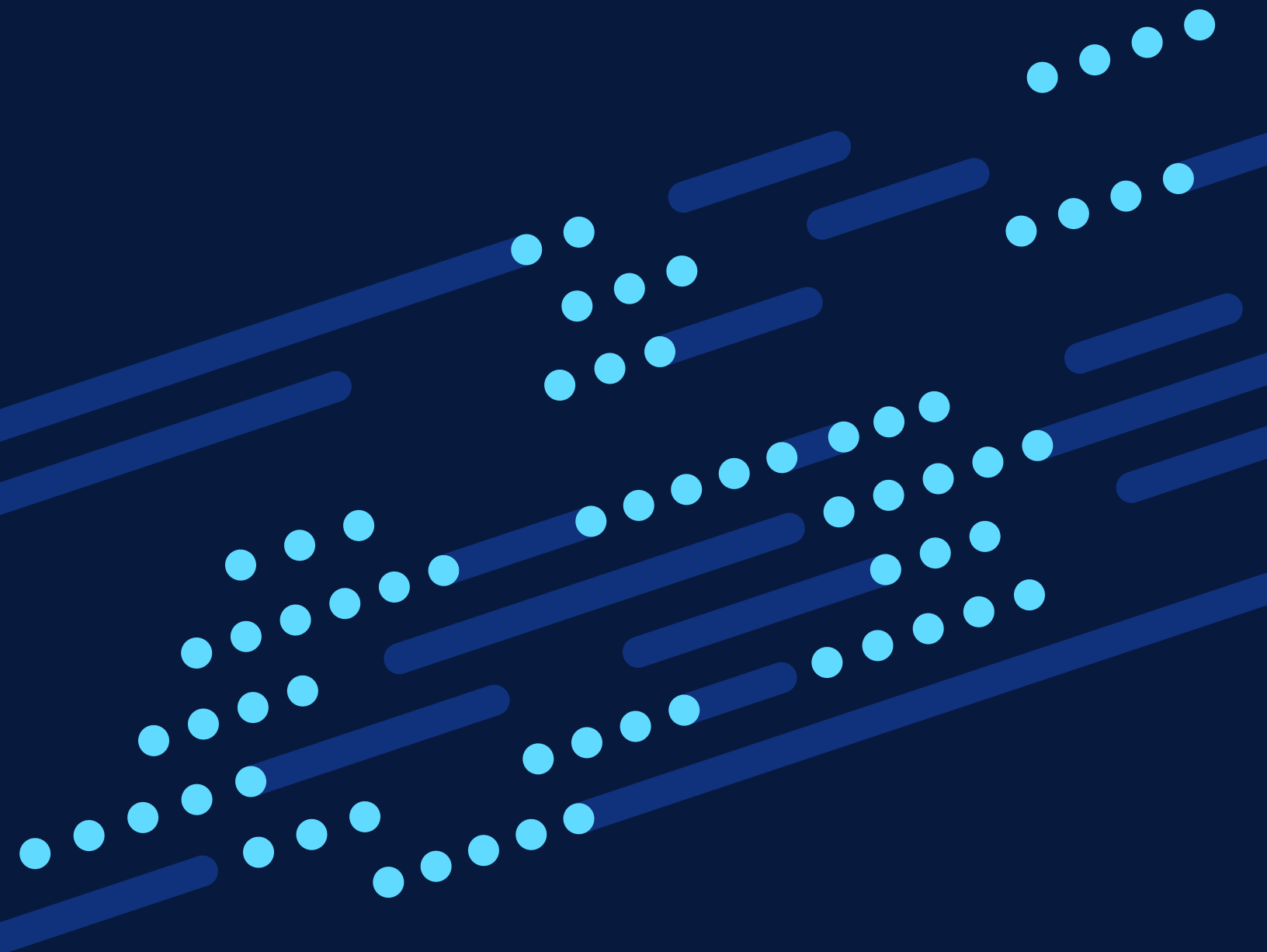


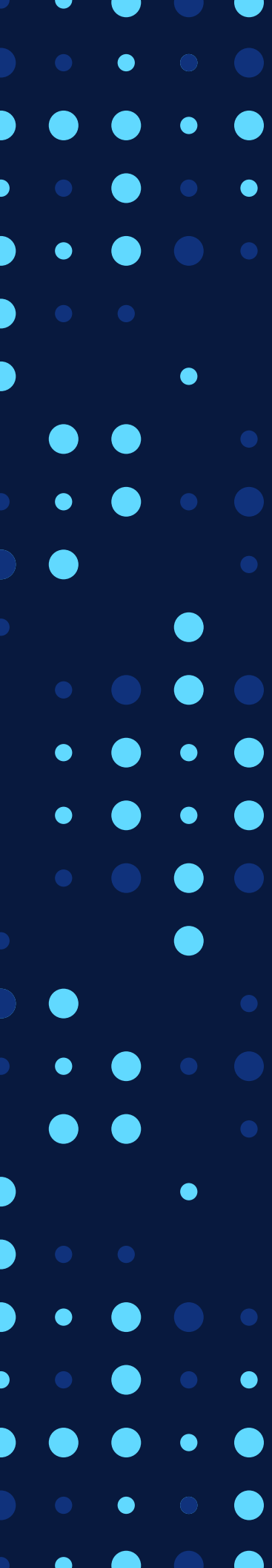
CERIDIAN



Report

2020 Pulse of Talent

Engaging the alternative workforce



Introduction	2
2020: The state of the alternative workforce	5
Finding the right balance	5
Focusing on the future	8
The desire to unionize	10
Navigating mental health	12
Engaging the alternative workforce for a competitive edge	15
Pay on time, every time	16
Support financial wellness	17
Look past the transaction	18
Key takeaways	20

Introduction

The alternative workforce has been a hot-button topic for the past several years. From the rise of the “gig economy” (think: Uber and Foodora) to the “sharing economy” (Airbnb) to the “side hustle,” more and more workers around the world are eschewing traditional full-time jobs in favor of alternative work. According to Deloitte, more than 40% of the U.S. workforce works on a contingent basis¹.

While many attribute the growth of alternative work to widespread job loss from the last recession, we’re more than 10 years on from the recession and the movement continues to grow².

Louis Hyman, Cornell University professor and author of *Temp: How American Work, American Business, and the American Dream Became Temporary*, believes there is a larger pattern of change underway: “We’re told it’s all about apps, but it’s actually about the reorganization of work...that [is what] defines our lives today³.”

Many industries are changing how they work to keep pace with industry disruption, rapid technological advancement, and a widening skills gap. As companies grapple with market fluidity and

changing customer expectations, the alternative workforce offers a solution to an increased need for speed and agility. Some of the world’s most influential brands – Google, for example – are already leveraging alternative workers heavily⁴.

Yet, while many companies understand the importance of alternative workers, they may still be using them in a way that is more transactional than strategic⁵. The alternative workforce can help companies scale up and down at a lower cost, bring products to market faster, and focus on their core business. However, managers will need to understand how to engage alternative workers to ensure they’re highly productive and successfully integrated with the existing workforce.

We focused our latest *Pulse of Talent* on understanding what drives today’s alternative workers, with the goal of helping companies build strategies to successfully engage this unique workforce. We learned what makes alternative workers happiest on the job – and what companies stand to lose when they’re not.

40%

of the U.S. workforce works on a contingent basis

About the survey

For our *2020 Pulse of Talent* report*, we wanted to understand what drives the alternative workforce today, and how companies can engage and leverage this talent pool to navigate the complexities of the future of work.

We asked 1,115 alternative workers – gig workers, freelancers, and

contract workers – in North America about their reasons for choosing this path, their level of engagement, the reasons behind their satisfaction or dissatisfaction, and where they see themselves in the future. We also sought their feedback on some of the key topics making the news recently, such as their level of support for unionization and the effects of alternative work on their mental health.

Defining alternative workers

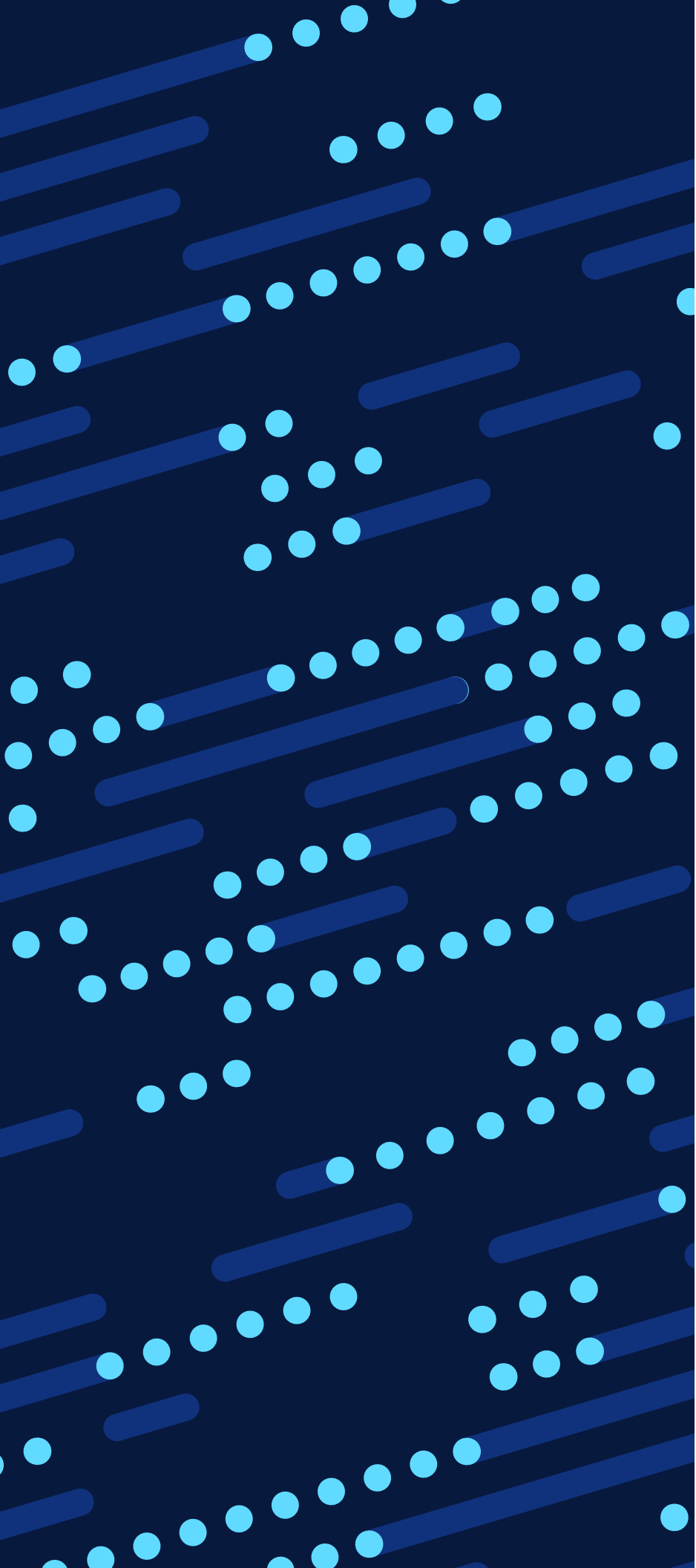
The term ‘alternative worker’ can be hard to define. Technology has opened the door to many new ways of working, which in turn has led to an onslaught of different terms for workers who don’t fit into the traditional employer-employee relationship: gig workers, contingent workers, freelancers, independent consultants, side hustlers, self-employed workers, and contractors. While there are some nuances between these different labels, what they all have in common is that they’re not regular employees of a single company.

In the *2020 Pulse of Talent* survey, we asked participants to identify the type of alternative worker they are based on the nature of the work

they do. For the purposes of this report, we’ll use the term ‘alternative workforce’ to share the findings we learned about the survey group as a whole, which includes the following categories from our survey.

- I work independently for one company
- I work independently for more than one company
- I’m a freelancer/consultant with various clients
- I’m a contract worker on a contract with one company
- I’m a contract worker on a contract with more than one company
- Other

*Nielsen conducted the *2020 Pulse of Talent* research study via an online questionnaire, from July 24 to Sept. 6, 2019 among 1,115 gig/freelance/contract workers, aged 18+ across Canada and the U.S. who are members of Nielsen’s online panel. Results were weighted by respondents’ demographics based on census data to align with the proportions of the population.



2020:
The state
of the
alternative
workforce

Finding the right balance

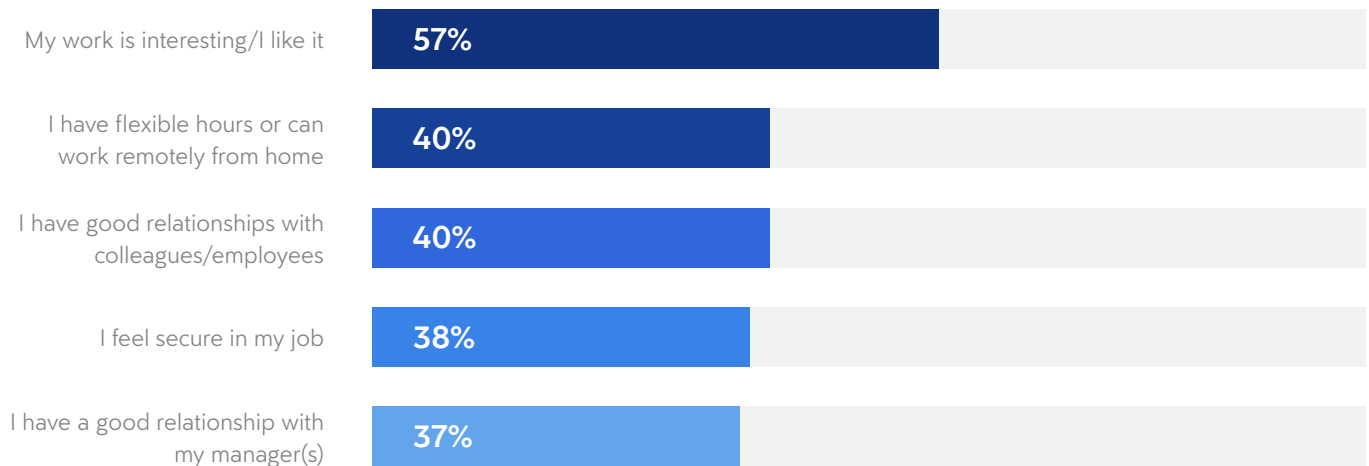
One of the key findings from our research is that alternative workers are largely satisfied with their employment arrangement: 79% of respondents are “somewhat” or “extremely” satisfied with their current job. The top reason given among respondents who reported

being satisfied is that their work is interesting (57%), followed by flexibility in their work schedule or location, and good relationships with their colleagues and/or employees (both 40%).

79%

of alternative workers surveyed are satisfied with their current job

Why are you satisfied with your current job?



Respondents were asked to “select all that apply”.

Of the respondents who said they were dissatisfied with their current gig or role, the top reason given was pay: 75% of our survey respondents said the biggest reason for their dissatisfaction is “I don’t make good pay.”

The second most common reason was not enjoying the work (51%), followed closely by not having good benefits (50%). This is not surprising, given that three out of four Americans whose main income is from contract or temp work don’t have access to health insurance⁶.

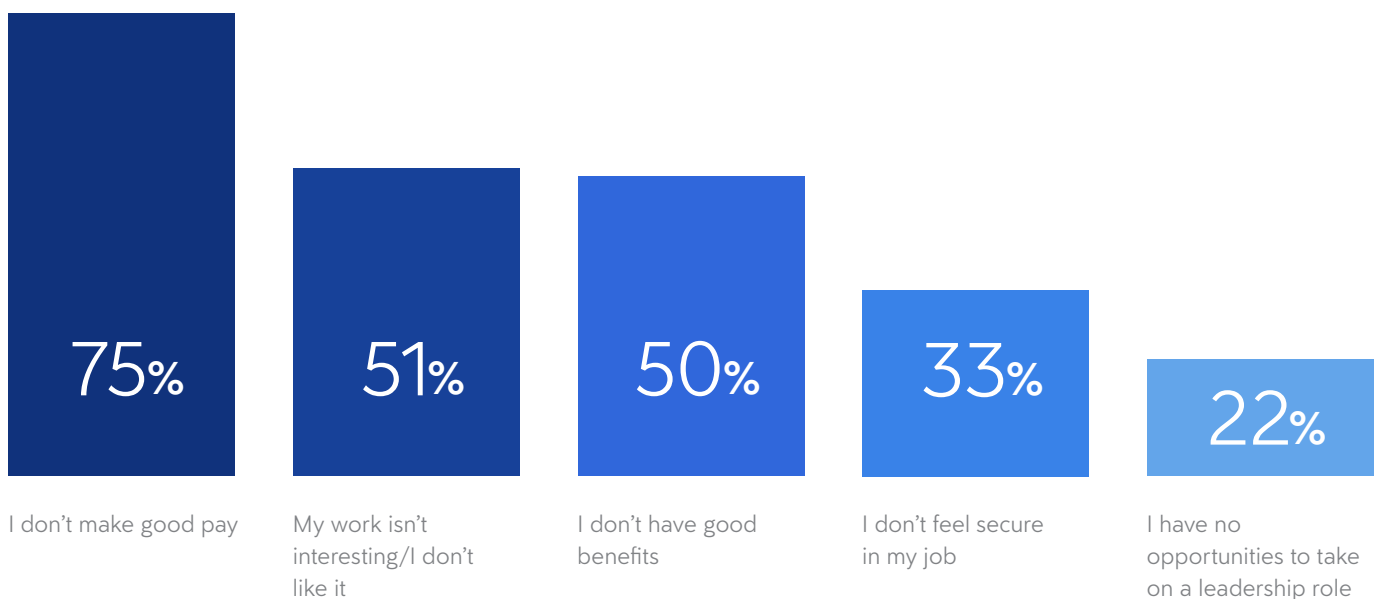
Perhaps what’s most interesting about these findings is that of the alternative workers who are satisfied with their work, only 34% said they were satisfied because they make good money, and only 27% cited good job benefits as a reason for their satisfaction. So, while the absence of good pay and benefits may cause dissatisfaction for some workers, others may be content without them if other factors are present, such as interesting work and positive relationships.

“

We all want interesting work, and we all want flexibility. We can positively impact business performance by aligning people with work they enjoy, empowering them to get it done their way, and ensuring they see purpose in what they do.

LISA STERLING | CHIEF PEOPLE & CULTURE OFFICER, CERIDIAN

Why aren’t you satisfied with your current job?



Alternative worker (among those who are not satisfied with their current job) n=80

We also wanted to understand why alternative workers are choosing this career path – or if it even is a choice. There were a variety of reasons survey participants were engaging in alternative work, but the top reason given was flexibility (50%), followed by independence (41%).

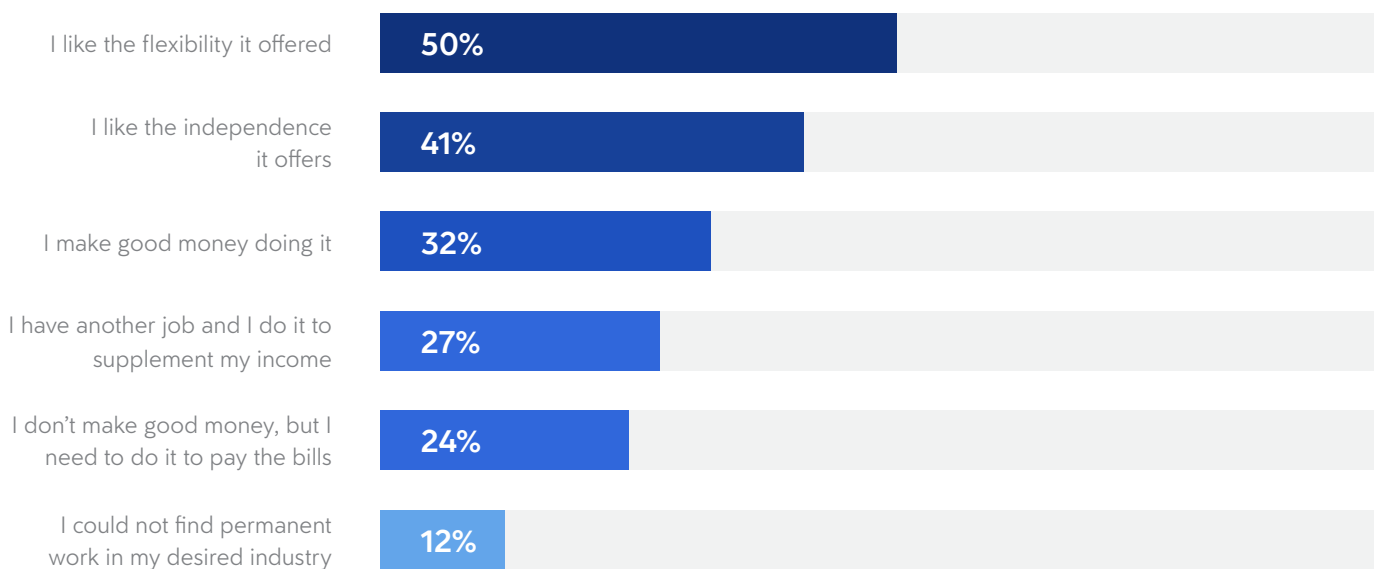
Interestingly, 32% of respondents said they do alternative work because they make good money, while 24% said they don't make good money but need to do

alternative work to pay the bills. Still others were using alternative work as a stop-gap – 27% said they use it to supplement their income, and 12% do it because they could not find permanent work in their desired industry.

50%

of alternative workers do it for the flexibility

Why are you working gig/freelance/contract?



Respondents were asked to "select all that apply".

Focusing on the future

Despite the challenges and uncertainty of alternative work, more than half (57%) of the workers we surveyed plan to continue on this path for the foreseeable future. And the trend toward long-term gig work increases with age: 43% of respondents aged 18-29 answered this way, compared with 71% of those over 50.

Even if they aren't giving up, alternative workers do have some concerns about the future. In fact, 40% of our survey respondents said they were "moderately" or "extremely" worried about having adequate work in the next two years. This concern was higher for the youngest respondents – 47% of those aged 18-29 years answered this way, compared with only 27% of those over 50.

57%

of respondents plan to continue with alternative work in the future.

How worried are you about having adequate work in the next two years?

■ Extremely/moderately worried
 ■ A little worried
 ■ Not at all worried
 ■ Not sure

Aged 18-29



Aged 30-49



Aged 50+



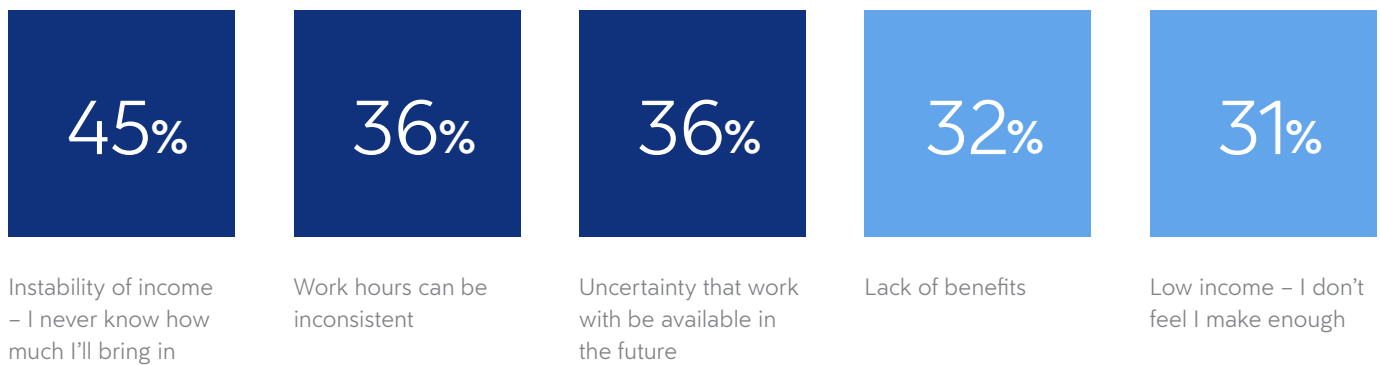
That sentiment was further reflected in what respondents flagged as the biggest challenges for today's gig workers. Income instability was the top concern (45%), followed by uncertainty that work will be available in the future and inconsistent work hours (both 36%). Older workers were more likely to cite income instability and lack of benefits as the biggest challenges, whereas the youngest workers were more concerned with low income and communication difficulties with their company or clients.

“

The gig economy has had a part in changing employees' expectations of employers. The new normal is that employers need to be more flexible, and accommodate and engage the workforce.

TED MALLEY | HCM EVANGELIST, CERIDIAN

What are your biggest challenges working gig/freelance/contract?



The desire to unionize

One issue that has received a lot of media attention recently is how companies are treating the alternative workforce. There are complaints from contractors about feeling like outsiders and being treated as less valuable than their full-time colleagues⁷, as well as issues surrounding the treatment of those who work for ride-sharing companies, food delivery services, and task-based platforms.

Because alternative workers are generally classified as independent contractors, companies are not obligated to provide them with the

same benefits that they provide to employees. These challenges have led to new regulations in California, as well as broader discussions about how alternative workers should be classified under the law⁸. Meanwhile, groups of alternative workers are now forming unions to advocate for their own rights⁹.

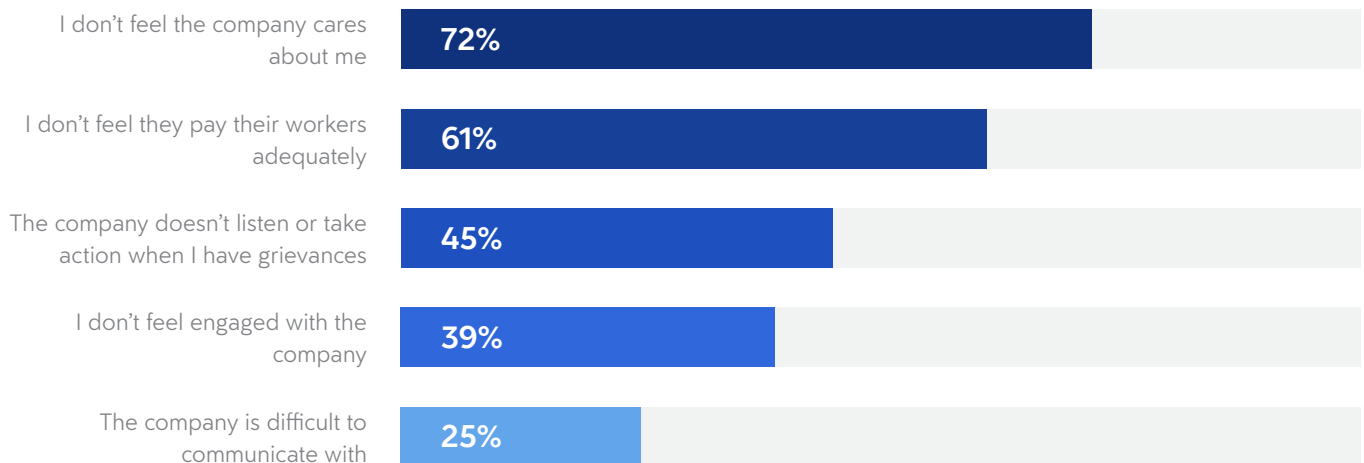
We asked the alternative workers who work independently for one or more companies (e.g. ride sharing, food delivery) about their level of satisfaction with their current company (or companies) to find out how much these widely-publicized issues are actually affecting workers' happiness on the job. While the

majority are satisfied with the companies they work for, among those who are dissatisfied, 72% said they don't feel the company cares about them, and 61% said they don't feel their company pays workers adequately.

56%

of respondents believe gig workers should unionize

Why are you dissatisfied with the company(ies) you work for?



* Note: these statistics are based on a smaller sample of n=33 respondents.

Of this group, 72% said they don't feel the company cares about them, and 61% said they don't feel their company pays workers adequately.

When asked whether they believe gig workers should unionize, 56% of the gig workers surveyed who work independently answered "yes."

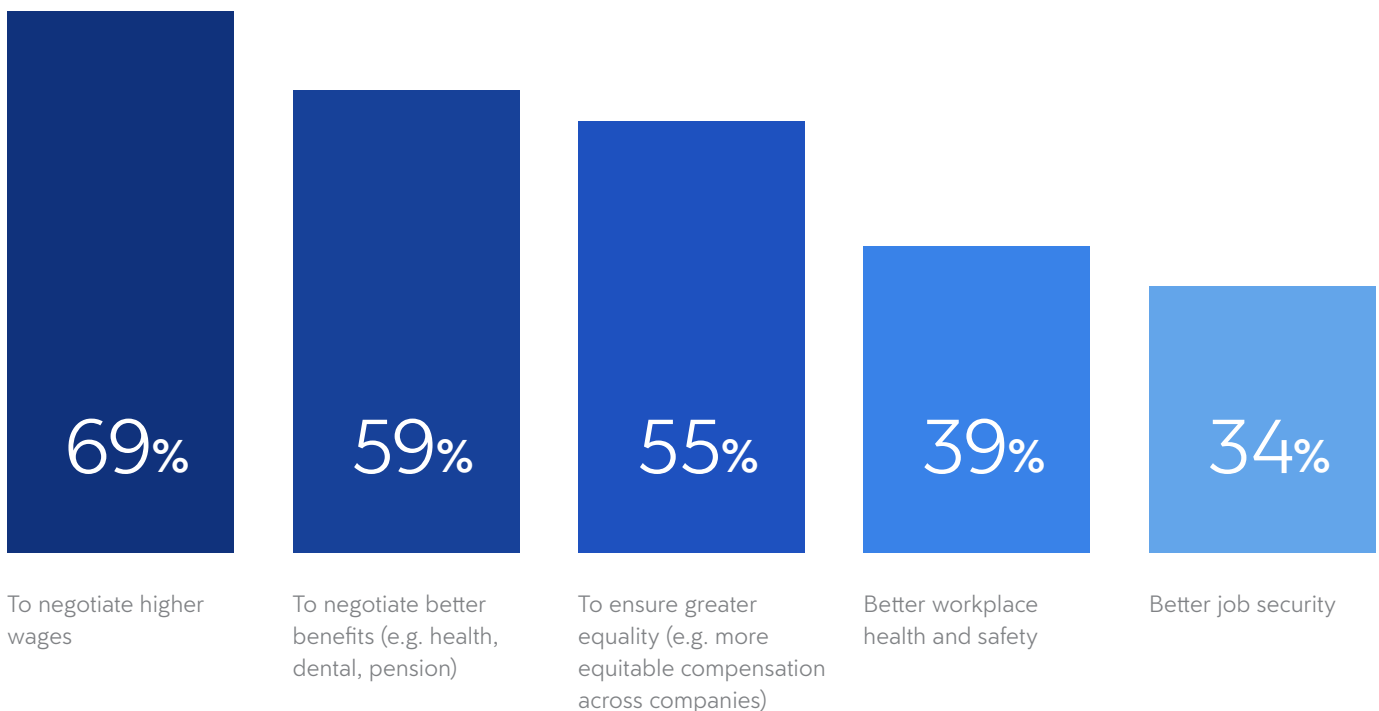
The top reason given was that it would allow them to negotiate higher wages (69%) and better benefits (59%). And 55% agreed that it would help ensure greater equality.



There is a fine line being drawn between the experiences alternative workers value and their desire to have the same advantages as full-time employees. The real question is, "Can we provide all people an experience that inspires, motivates, engages, and creates trust?" Doing so requires us to reset expectations and take a new approach to workplace experiences.

LISA STERLING | CHIEF PEOPLE & CULTURE OFFICER, CERIDIAN

Why do you think gig workers should unionize? Please select the top three reasons.



Navigating mental health

Mental health at work is a big topic today, as technology has created an always-on lifestyle that creeps into our work lives. Given the inherent uncertainty and financial instability associated with alternative work, understanding the mental health effects of these types of arrangements is an especially important piece of that story.

Research has found that gig work has both positive and negative effects on mental health. A study from INSEAD found that self-employed workers in the U.K. actually have better mental health than their salaried peers – they drank less and exhibited fewer signs of stress.¹⁰ Yet, a study by McMaster University in Canada found a “strong association between the frequency of mental health issues, depression, and anger and the level

of employment insecurity” among millennials¹¹.

Our survey results supported the findings by McMaster, showing that job dissatisfaction is directionally more likely to negatively impact younger workers’ mental health.

To what degree has dissatisfaction with your job impacted your mental health?

Extremely negative impact
 Somewhat negative impact
 No impact

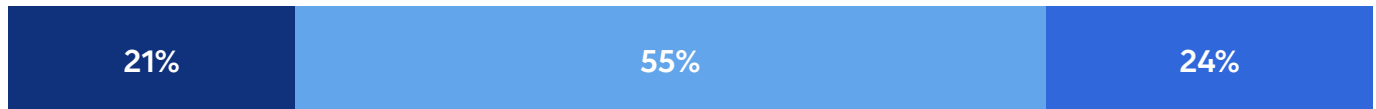
Aged 18-29



Aged 30-49



Aged 50+



**Note: these statistics are based on a smaller sample of between n=23 and n=29 respondents.

We also asked the survey respondents who reported that job dissatisfaction *did have* a negative impact on their mental health what measures they have taken as a result. Two-in-three of those respondents said they were looking for another job (66%), while 25% said they have taken more sick days. Interestingly, 16% said they have not done anything – a scenario that can lead to lowered productivity on the job.

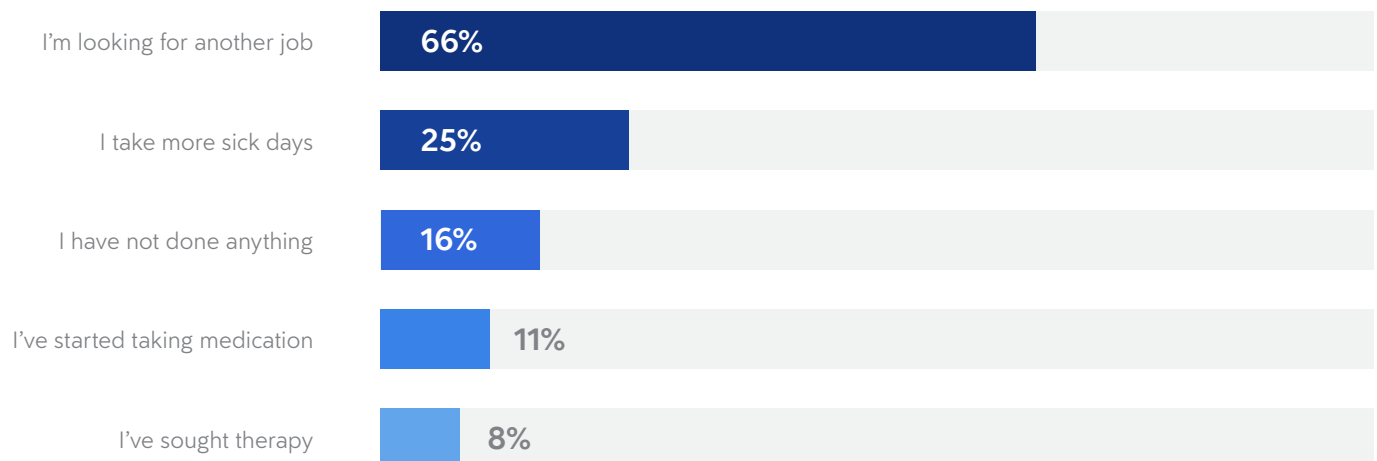
Of the survey respondents who cited a negative impact on their mental health, 35% felt their productivity was “a lot lower” or “somewhat lower.” What’s more, only 27% of our survey respondents are working for companies that offer benefits covering outside mental health support. And not only are younger workers more likely to see their mental health suffer due to job dissatisfaction, they’re also more likely to experience lowered productivity as a result.



The convergence of work and life, the influx of information, and the rapid pace of change has created negative health implications for people of all ages. Organizations should take the time to understand how job dissatisfaction may be affecting their people and prioritize addressing those issues over building a comprehensive wellness program.

LISA STERLING | CHIEF PEOPLE & CULTURE OFFICER, CERIDIAN

What measures have you taken as a result of the negative impact on your mental health?





Engaging the alternative workforce for a competitive edge

As companies face increasing pressure to adapt to the new pace of business, the alternative workforce can help support growth, business continuity, and agility. Companies can draw on alternative workers' specialized skillsets for strategic projects, or to cover changes in demand or seasonal peaks – much like some retail companies are already doing ¹². But, it's important to remember that alternative workers are still people, and, like their salaried counterparts, they need to feel satisfaction with their work to be fully productive. Taking steps to improve job satisfaction for alternative workers benefits both workers and organizations.

Pay on time, every time

Take freelance writers, designers, consultants, and web developers, for example. Many companies hire these alternative workers regularly, as they have specialized skills and a high level of education and experience – and companies are willing to pay a premium for that combination. We found in our *2020 Pulse of Talent* survey that freelancers are especially driven by flexibility and autonomy.

Even if organizations aren't looking to hire someone full time, building long-term relationships with good freelancers can save time and increase productivity in the long run. The more you work with a freelancer, the deeper their knowledge of that organization generally becomes, increasing the quality and speed of their services. The best freelancers often have the luxury of choice when it comes to clients, so companies should offer an experience that makes freelancers want to come back.

One of the most important ways managers can show appreciation to freelancers is to ensure they're paid in full, on time – every time. According to New York's Freelancers Union, 44% of their members reported having issues getting paid and were owed an average of \$10,000 USD in unpaid invoices¹³. The right technology can help ensure freelancers are paid accurately and on time. This helps build trust, which gives companies the advantage of attracting and keeping the best freelance talent.



Treating freelancers as 'first-class citizens' of your company will increase not only their engagement, but also the likelihood that they become loyal, full-time employees. This becomes a new type of courtship between worker and employer that improves engagement, and also fosters the discretionary effort that is becoming harder and harder to yield.

TED MALLEY | HCM EVANGELIST,
CERIDIAN

Support financial wellness

Pay is an important lever of engagement for other types of alternative workers, as well. In our survey, 38% of respondents identified themselves as working independently for one or more companies, such as ride sharing or food delivery services – the type of alternative work arrangement that’s often referred to as ‘gig work’. According to The Federal Reserve’s Report on the Economic Well-Being of U.S. Households in 2018, 58% of full-time gig workers – nearly 5% of adults in the U.S. – would have difficulty handling an unexpected expense ¹⁴. Full-time gig workers also use alternative financial services more often than those doing it on the side ¹⁵.

One emerging opportunity that can help organizations improve the payment experience for alternative workers is adopting technology that allows workers to receive their earned wages as soon as a shift or project is complete. These on-demand tools give alternative workers more control over their cash flow, which can reduce stress and boost productivity.



Giving access to earnings at the end of a shift or in the middle of a pay period will become a differentiator to attract top gig talent. For those with multiple employers with different pay periods, immediate access to earned wages is critical to making ends meet. Companies need to evaluate and upgrade their systems to prepare for this future reality today.

TED MALLEY | HCM EVANGELIST,
CERIDIAN

Look past the transaction

According to Deloitte, 46% of HR respondents to its 2018 Deloitte Human Capital Trends survey said they are not involved in onboarding alternative workers¹⁶. Proper onboarding of alternative workers has many of the same benefits as onboarding full-time employees. It gives them important context on the business, industry, and key players on their team, helping them ramp up faster.

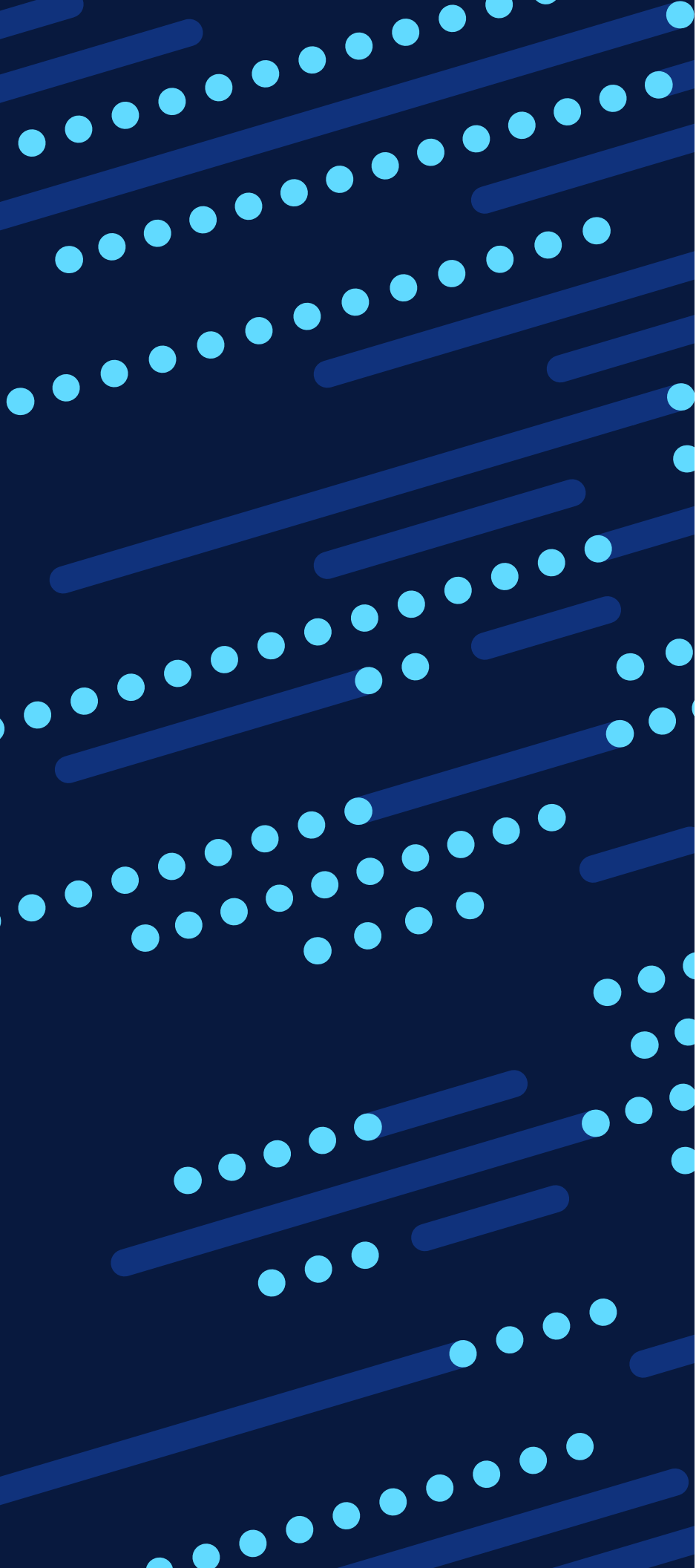
Another survey by Deloitte found that more than half of the HR respondents that participated do not support training for alternative workers¹⁷. Organizations can benefit from offering learning opportunities to some types of alternative workers – especially those who work with the company on longer contracts and have specialized skills. Companies can train alternative workers to provide even more value to the business, while also keeping them engaged. Learning

platforms allow companies to create personalized training experiences for employees, which could be extended to include alternative workers.

Finally, managers should keep in mind that alternative workers don't have to be temporary – they can actually become a talent pipeline. In our *2020 Pulse of Talent* survey, 27% of respondents said they use alternative work to supplement their income, and 12% said they do it because they couldn't find permanent work in their industry. Companies can save time on recruiting and benefit from improved speed to productivity by hiring alternative workers when new roles open up. HR teams can keep track of talented alternative workers who are interested transitioning to permanent roles, taking care to provide them with a good employee experience and growth opportunities along the way.

46%

of HR respondents to its 2018 Deloitte Human Capital Trends survey said they are not involved in onboarding alternative workers



Key takeaways

The alternative workforce isn't a passing trend – it's part of a movement toward an entirely different way of organizing work. Companies need to put effort into strategically leveraging and engaging alternative workers to realize the benefits of this growing workforce.

This year's *Pulse of Talent* report provides important insights on what matters to alternative workers:

Personalization

One size does not fit all when it comes to the alternative workforce. Companies should make an effort to understand what these workers want – employee surveys are one great tool – and personalize their experience to keep them engaged.

Flexibility

Alternative workers of all types enjoy the flexibility of their work situation. Building flexibility into your culture for all employees – where possible – will make it easier for alternative workers to integrate into the existing culture. It will also make your company more attractive if you choose to tap this talent pool for open roles.

Fair compensation

Leveraging gig workers can help your company scale up and down faster and at a lower cost than hiring staff and laying them off, but if you want to engage those workers and get their best effort, pay them fairly and accurately.

Mental health

Precarious work situations and job dissatisfaction can lead to negative mental health consequences. Take care to support the total wellness of your alternative workforce – including their financial wellness – to keep them engaged and healthy.

Respect

Alternative workers, while diverse, are also similar in many ways to your permanent, salaried workers. Take care to treat them as a valued part of the company, rather than dealing with them in a solely transactional manner.

The alternative workforce – and what makes it tick – will likely evolve as the world of work continues to change. But creating the right strategy to engage and leverage them can help make your entire workforce more successful – now and in the future.

Sources

1. *2019 Human Capital Trends*, Deloitte, 2019
2. Tom Gresham, *Rise and Grind: The Growing Gig Economy and Its Impact on the American Workforce*, June 2019
3. *The Origin of the Gig Economy*, 90.9 WBUR Radio, August 2018
4. Mark Bergen and Josh Eidelson, *Inside Google's Shadow Workforce*, July 25
5. *The Alternative Workforce: It's Now Mainstream*, Deloitte, 2019
6. *Economic News Release, Bureau of Labor Statistics*, June 2018
7. Julia Carrie Wong, *Google Staff Condemn Treatment of Temp Workers in 'Historic' Show of Solidarity*, The Guardian, April 2019
8. Annie Palmer, *Uber Says Drivers Aren't Part of its 'Usual Course' of Business*, September 2019
9. Lauren Kaori Gurley, *Gig Workers Are Forming the World's First Food Delivery App Unions*, October 2019
10. Benedicte Apouey, Mart Stabile, et. al., *The Effects of Self and Temporary Employment on Mental Health: The Role of the Gig Economy in the U.K.*, May 2019
11. Jeffrey C. Martin and Wayne Lewchuk, *The Generation Effect: Millennials, Employment Precarity, and the 21st Century Workplace, Poverty and Employment Precarity in Southern Ontario (PEPSO)*, McMaster University, September, 2018
12. Cale Guthrie Weissman, *How the Gig Economy is Transforming Retail*, July 2019
13. Freelancers Union, May 2015
14. *Report on the Economic Well-Being of U.S. Households in 2018*, May 2019
15. *Report on the Economic Well-Being of U.S. Households in 2018*, May 2019
16. *The Rise of the Social Enterprise, 2018 Deloitte Global Human Capital Trends*, Deloitte, 2018
17. *The Rise of the Social Enterprise, 2018 Deloitte Global Human Capital Trends*, Deloitte, 2018



CERIDIAN

At Ceridian, we create innovative technology that organisations around the world use to attract, develop, manage, and pay their people. Our award-winning Dayforce solution helps our customers manage compliance, make better decisions, build great teams, and drive engagement with their employees. Ceridian has solutions for organisations of all sizes.

[Ceridian. Makes Work Life Better™](#)

www.ceridian.com