



## Are You (and Your Company) Ready for the Gig Economy?

### Independent workers' carefully cultivated professional identities point to new possibilities for talent development.

The rise of the independent worker is arguably the biggest change to hit the global labour market in decades. Well over 30 percent of the United States workforce reportedly lack “real jobs” working full-time for a conventional company, and that figure, some say, **may top 40 percent** by 2020. If these trends continue, non-traditional workers will almost certainly attain unprecedented levels of financial and political clout.

Yet the cultural narrative around independent employment remains, for the most part, decidedly disempowering – concentrating as it does upon contingent workers at the mercy of peer-to-peer platforms such as Uber and TaskRabbit. In this analysis, the so-called gig economy has pushed workers into capitalist freefall, with no safety net in sight.

To be sure, the precarious existence that a great deal of these workers face should continue to be a cause for concern. However, **Gianpiero Petriglieri**, INSEAD Associate Professor of Organisational Behaviour, says there's more to the story. He cites a **recent McKinsey report** suggesting that most independent workers in Europe and the U.S. are knowledge workers or creatives, i.e. people who presumably have options. Many could re-join organisations, and those who succeed in securing a

steady stream of work claim to make more money than when they were employed, though at increased risk. For this group, independent work provides an irreplaceable set of satisfactions. Freefall, after all, can be incredibly thrilling, if one is packing a parachute or tethered to a bungee cord.

Petriglieri also points out that what we now consider non-traditional employment was once the standard option. With a tip of the hat to **Jerry Davis**, a professor at the University of Michigan's Ross School of Business, he says, “Before the Industrial Revolution, people did not have a sense of a *job* the way we have it today. They had tasks; they had work that needed to get done. And they had a craft that often defined who they were.” Though large organisations have dominated business for at least the last 100 years, all the while there have been freelancers operating in the corporate shadows – some doing quite well at it.

Petriglieri's recent research paper (co-authored by Susan J. Ashford of the Ross School of Business and Amy Wrzesniewski of the Yale School of Management) in ***Administrative Science Quarterly*** takes a close look at how thriving freelancers manage their lives and careers outside the stabilising structure of an organisation. He and his co-authors conducted and analysed in-depth

Visit **INSEAD Knowledge**  
<http://knowledge.insead.edu>

interviews with 65 independent workers, ranging from writers to corporate consultants to film producers – 30 of whom had been doing it for a decade or more.

### No soft landing

Perhaps the most surprising discovery to emerge from the interviews, says Petriglieri, was that even the most outwardly successful freelancers admitted to feeling the same sense of precariousness as Uber drivers are said to be subject to. Without the ability to define themselves according to their standing within a company, their self-definition had become subsumed in their work, or their work was elevated to the status of self-definition (however you choose to look at it). What, for the conventionally employed, would merely be an off day brought on dire ruminations for the freelancers. As one filmmaker put it, “[On a bad day] I feel like Eeyore. I am just low and nothing is going right, and I suck and I’m a failure...It’s a total death spiral.”

What staved off the death spiral was productivity – the ability to perform well at their chosen task. Productivity took on existential significance, with each workday bringing a renewed struggle for both existence and a sense of aliveness. When they were making headway on a project, they felt an intoxicating freedom and mastery over their tenuous circumstances. They had the impression that they were channeling the high emotional voltage of their lives to power their creative engine. Of course, on either side of every productive day was a potentially paralyzing anxiety.

Traditional working life includes its fair share of anxiety too. But Petriglieri draws a distinction between the *social* anxiety rife within organisations and the *existential* anxiety his interviewees wrestled with. Social anxiety is characterised by questions such as: “Will I be accepted? Will I be included? Will people listen to me?” Independent workers are more likely to stay awake at night pondering basic questions of identity: “Do I know who I am? Can I become who I aspire to be? Who will I be if I can no longer work at my best?”

The more experienced freelancers had learnt not only to remain productive despite uncertainty, but also to take pride in their ability to do so. According to one consultant, “The dark side [of independent work] is the struggle, the not knowing, being with the pain of it. You have to stay with it, is what I’ve learned in the past three years. You have to stay there and be willing to go into the abyss.” In their professional choices, they sought just enough stability to prolong the existential adventure – like a parachutist manipulating steering toggles to stay aloft.

### The secrets of resilience

Four types of connections – to routines, places, people and purpose – helped the interviewees tamp down feelings of aloneness and their attendant anxieties. Petriglieri says that you could view these connections as replacements for the professional relationships and communal identity that naturally occur in organisations. But it is more interesting, he suggests, to consider the opposite: Corporate structures may be spoon-fed substitutes for the more organic organising principles employees might resort to on their own. At the best of times, the four connections gave the freelancers something approximating the comfort and reassurance of a 9-to-5, without sacrificing excitement and autonomy as the corporate world so often requires.

Interviewees were religious about their routines. Even when the routine was not particularly strenuous – e.g. one consultant described starting each day, no matter how busy, with a bath – adherence to it seemed to impart discipline, an inoculation against emotional and external distractions. In addition, routines gave focus to their lives so they could “show up” completely in their work.

Workspaces, too, took on enormous importance. Many freelancers said they worked best in surroundings, such as cramped home offices, whose spatial constraints sharpened concentration. Others preferred to work in public spaces, particularly in places that held symbolic resonance for them personally. One artist said of her studio, “The look of it, the smell of it, everything is inside of me, but you can see it externally. It keeps all of the parts of myself in front of me.”

They also cultivated very close connections with an inner circle of confidants. These were people who knew them well enough to soothe their emotional tension and restore their self-confidence when it flagged. Usually, professional peers were barred from the inner circle. Petriglieri speculates that for these lone wolves, fraternising with people in the same line of work felt too similar to being in an organisation.

Finally, investing their work with a broader purpose was key to not getting bogged down in the day-to-day struggles of their working lives. It tied them to something greater than themselves, something beyond the impermanence in which they were immersed. One songwriter used a quote from former White House speechwriter Peggy Noonan to summarise his purpose: “‘America is a song culture.’ That’s how we get so much of our values. And I think it’s important that I could influence the culture through good songs.”

## What organisations can learn

company-ready-for-the-gig-economy-8516

In a way, Petriglieri says, the shift we are seeing towards independent work is an outgrowth of societal changes that have taken place over the last 30 years. “The big narrative has been a transition from a social contract based on loyalty, to a transactional one, where the organisation sees me as a bag of skills and I see it as offering opportunities”, he says.

Most organisational environments, however, have retained their shape from the era of loyalty. They are still designed for reassurance and control, yet they can no longer offer material security. According to Petriglieri, it’s no surprise then that more and more talents are choosing to go it alone – a less grounded but more vital and connected way of working.

He says that the gig economy could aid large organisations in attracting roving talents, at least for a while, if they ceased trying to tie people down. Instead, they could offer to help employees cultivate the types of connections they need to score their next gig and beyond. He refers to his previous research on “**portable selves**”, or professional identities made to withstand the flux of nomadic working lives. Organisations that help talents develop such identities may inspire loyalty that lasts long after the talents themselves have moved on to their next opportunity.

Petriglieri offers a caveat, however. Mixed careers, in which talents alternate between solo and organisational stints, may not be viable over the long term, because protracted existential independence profoundly affects people’s self-conception. Over time, they come to see organisations as little more than collections of stifling confinements. That should also strike a note of warning for corporate leaders who encourage creative independence and entrepreneurial thinking.

“They should be careful what they wish for”, says Petriglieri.

**Gianpiero Petriglieri** is an Associate Professor of Organisational Behaviour at INSEAD. He directs the **Management Acceleration Programme**, the school’s flagship Executive Education programme for emerging leaders. He is an Academic Director of the **INSEAD Initiative for Learning Innovation and Teaching Excellence**.

Follow INSEAD Knowledge on **Twitter** and **Facebook**.

### Find article at

<https://knowledge.insead.edu/career/are-you-and-your->

### Visit INSEAD Knowledge

<http://knowledge.insead.edu>

Download the Knowledge app for free

