

Gig Economy

Don't Believe Everything You Hear



John Qualls

What is the gig economy?

The gig economy is the growing shiny object of the business world. To really understand what it is, we need to define it. Although there are many definitions out there, I believe that the gig economy means organizations are using platforms to hire short-term or freelance talent to complete projects efficiently, at a lower cost and just in time. Meanwhile, the individual workers manage their time and expertise as they maneuver between promised unlimited projects.

Why do I think the gig economy is a lie?

According to today's wisdom, if you have a car and a smartphone, an extra bed or just an internet connection and some basic skills, the new gig economy promises freedom, independence and flexibility while earning good money. However, the reality is far different. When Intuit and Emergent surveyed gig workers in 2016, 62% of respondents stated their top challenge is getting enough work and nearly half (47%) said they'd like to increase the amount of work they do on the platform. Trouble getting enough work may be due to the increasing number of people competing for gigs.

Just like open concept offices (cubical farms) weren't the workplace promise that we were told they would be 20 years ago, I believe we're being led astray when it comes to the gig economy.

Why do I believe this?

During the last four years, I was president of a nonprofit coding academy. I was in a unique position to take an alternative look at education providers, employers and employees throughout the state of Indiana. I spent time in 25 different communities meeting with presidents, deans and professors of public and private colleges around the state, as well as mayors, economic development boards, school superintendents, teachers and parents.

And when I look at those four years, I didn't see anyone that was particularly excited about the promise of the gig economy. If anything, I saw a lot of anxiety about what skills employees will need and what is the mindset they will need in order to be working for companies going forward. There is a lot of angst between all parties not only in the education space but also in the workforce. Right now, employers, educators and the workforce are somehow not meeting each other's needs, which creates a real challenge. The gig economy just brings an amplifying impact on these challenges going forward.

To illustrate these challenges, let's look at how one industry has been impacted by this pay-only-what-you-need-when-you-need-it approach to labor.

Building trades

Over the last 18 months, I had the opportunity to restore a 1930s-era farmhouse. I convinced myself that being my own general contractor would save me money and be fun.

As my own general contractor, I probably went through 40 different contractors at various levels, trying to get them to quote, start and finish work on my project. I don't think I saved any money, it was mildly entertaining and I sure learned a lot about the state of the trades in central Indiana!

Throughout the renovations, I noticed an interesting trend emerging in the best companies to work with. These were the ones that just had their act together. Timely and accurate quotes, fair price, clear expectations, timely start, courteous staff and a quality finish (in workmanship and schedule).

I was on a mission to figure out what it was about these companies that was making them different. In the end, there was one question I would ask their leadership over and over with the same response.

The question was, "Did you start your company in 2010 or 2011?"

"Yes" was the answer 100% of the time. I asked a childhood friend, who has been in the trades his entire career, what was going on? He explained that during the housing bubble collapse in the 2006 to 2009 time period, all the family-owned businesses got crushed and disappeared.

Previously, tradesmen would work for the same company, with the same crew every day. My friend said that he used to have 11 teams that he managed, and it was the same group of people working on projects together year in and year out.

No longer.

Now, he's not sure who is going to show up on any given day. Each worker is a subcontractor who primarily cares about the price they make per hour. As a foreman, he only makes 50 cents more to herd cats basically – with new cats every day. This type of work environment is just not something he enjoys anymore, and he says it's difficult to have a career to be proud of in the trades.

So, somewhere between 2010-2011 people got fed up with that type of work environment and decided they were going to create their own company. And now they are seeing the fruits of their labors by building an organization that is based on people. Investing in their employees, establishing teams, creating culture, values and consistency. All these things are what I believe people really want when they go to work.

When we look at what's happened to the trades over the last 10 years and the rise of subcontractor employees, we gain insights to what the gig economy approach is doing or going to do to other industries.

What do employees really want?

I believe that employees want to do work that matters to them and makes a difference.

This is especially true in the millennial generation. So often I hear about these millennials and how they don't want to work, they're lazy, etc. I think millennials are fabulous. They're great. The problem for some

employers is that millennials are holding companies accountable for their culture and values.

Millennials want to work in a place that has a great culture. They want to work at a place that has values. They want to work at a place that gives them consistency, and they want clarity about what their value is and what they bring to the organization. Why is it that we are making millennials out to be so bad because they're holding us accountable for what really great companies should be?

What companies really want?

Companies want loyal, skilled labor.

Skills training? Isn't that higher education's problem? Nope. They teach people how to think. It's still the companies' job to train their employees how to do it their way, in their culture. Somewhere that was forgotten, and too often it's the taxpayers' job to pay for the fix. We stopped creating companies that employees want to be a part of. Which leads me to think: How do companies get back to creating a culture worth being a part of?

The first thing I think of when I hear culture, particularly from a leadership standpoint, is that there's the culture that you allow and there's the culture that you craft.

To me, the companies that are failing, or maybe succeeding due to luck, have cultures that they allow. The winning companies are crafting their culture.

Let's stop thinking culture is about ping pong tables and kegerators. Culture is strategic, or as the old saying goes, "Culture eats strategy for lunch."

I think the way to impact the workforce is to create a company with a strong culture that will attract the people who want to be part of that culture. That will, in turn, provide loyal employees. Crafted cultures will give people the experiences that they want, because at the end of the day it's all about the people.

Why work is important

With all the challenges going on in the world, I've always felt that an individual's worth is tied to their life having meaning or purpose. Studies show that employees who find their work meaningful are three times more likely to stay at their company, have higher job satisfaction and are more engaged at work.

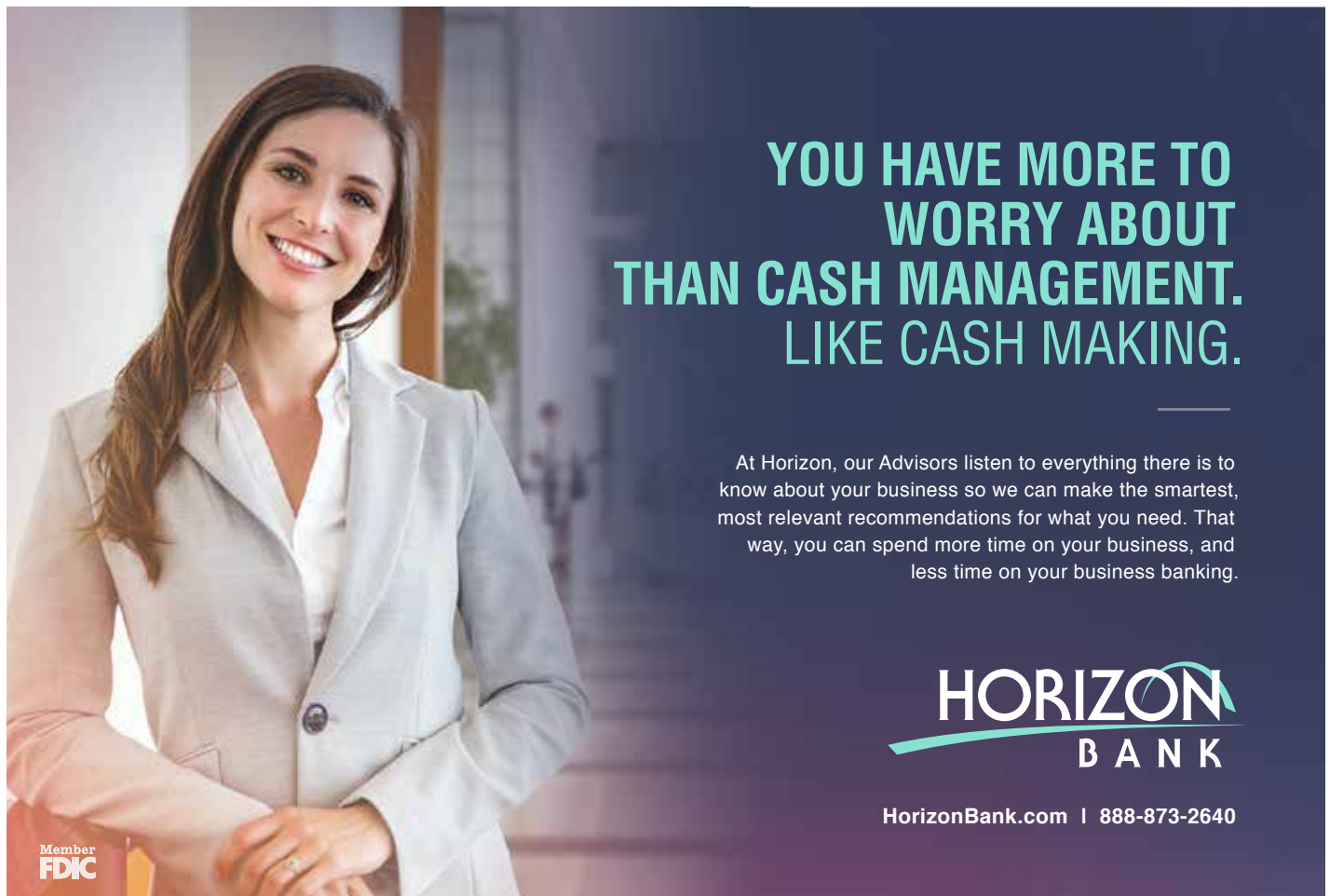
For those of you who have read this far, I have a question for you. If you have a five-day workweek – are you excited to go to your job four or five days out of the week? Are you excited by the work that you are doing and the opportunity to work with people that have a shared interest and passion for accomplishing things together?

Or are you one of those individuals who dislikes their job, who waits until the absolute last moment to clock in?

I would rather be looking forward to working, and the purpose that gives me, versus the latter option.

That's not living, that's just existing. We are worth more than that.

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