



## JOBGING OUT

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EXCLUSIVE - CIETT - Denis Pennel, managing director of Ciett on why workers are turning their backs on the classic employment model and going it alone.

Few people would deny that the world of work is changing. Gone are the days of a job for life with the promise of a gold watch and a pension after 40 years of faithful service. Today the employment market is volatile, fast moving and in a constant state of flux. Full-time permanent contracts as characterised by the 1950's manufacturing-based economy are disappearing as career paths become multi-faceted with the average working life encompassing periods as an employee, some years of self-employment and inevitably also times of unemployment.

The past 20 years have seen the emergence of many new forms of work from teleworking, co-working and crowdworking through to job sharing and training contracts. In many countries up to 30 different types of labour contract are in use alongside each other and the percentage of people employed under non-standard contracts continues to grow. In Japan, 35 per cent of people work under non-permanent contracts. The figure is 40 per cent in the EU and some 15 per cent of the EU workforce – around 33 million people – are self-employed. This number rises to 25 per cent in the US. Even those Europeans with 'standard' contracts now work atypical hours – with two-thirds working evenings or weekends as opposed to the classic '9 to 5'.

Now, however, we are witnessing the emergence of a brand new phenomenon, with people resigning from secure employee positions to go-it-alone as independent workers. This 'jobbing out' as I like to call it has undoubtedly been hastened by the recent economic crisis

where a contracting global economy meant that many people lost their jobs and were forced to take a different approach to work. However, it is not just necessity at play. Workers are increasingly faced with either burn-out or bore-out in their working lives, and are seeking a new freedom and flexibility in their work.

### **Socio-digital influence**

So how did we get to this point and what is fuelling it? I believe it can be explained by the convergence of two things - a socio-economic revolution and a digital one. In the new economic reality, companies need staff to work in more creative and autonomous way, based on temporary projects, resulting in the emergence of protean careers. At the same time, workers are expected to be contactable at any time, even on holiday, and to respond to emails and calls 24/7. This work-life blend leads to exhaustion, frustration and ultimately burn out. And for what? Job security and loyalty are a thing of the past and in the brave new world of work, it's every man for himself.

Workers who are established in their careers are increasingly reflecting on their lives and realising that if they want to hang on to their health, their relationships and perhaps their sanity, there has to be another way. And of course the flipside of the digital revolution is that it frees us to work in a different way. In today's "gig economy" workers are choosing freelance projects and temporary assignments. They are seizing control of their own destiny and creating a working life to suit them. And the good news is that it seems to be making people happier too: a recent survey from the UK Royal Society of Arts shows that 84 per cent of self-employed are happier in work than employees, despite the fact that they may earn less! We should not be surprised if the younger generation starts to follow suit. The rise of individualism is having a significant impact on work as today's generation is used to customising everything to suit their personal tastes - from the clothes they wear to the content they have delivered to their smartphone. Hence where previously working lives were characterised by 'one-size-fits-all', workers now increasingly enjoy an a-la-carte approach to their work - including the type of contract they work under, their pension terms, their working hours, holiday entitlement and of course their pay.

### **The collaborative economy**

The result of this new 'jobbing out' approach is the emergence of a new, collaborative economy and a renewed spirit of entrepreneurship as people create portfolio working lives, relying on contacts, word of mouth and the growing number of specialist online platforms (such as Upwork, Clickwork and Youpijob) that have appeared in response to this new trend. These platforms allow people to network and to trade goods and services as a part of a thriving collaborative economy. The growth in micro-activity with multiple sources of income and the ability to scale up or down in function of time and need is a growing feature of our economy.

A recent piece of research from McKinsey shows that online talent platforms serve as clearinghouses that can inject new momentum into job markets. By 2025, McKinsey calculates they could add \$2.7 trillion, or 2 per cent, to global GDP and increase employment by 72 million full-time-equivalent positions. Up to 540 million individuals could benefit from online talent platforms by 2025. As many as 230 million could shorten search times between jobs, reducing the duration of unemployment, while 200 million who are inactive or working part-time could work additional hours through freelance platforms.

For employers, this new era challenges their established talent acquisition models.

Companies that are only looking to recruit direct, full time staff are missing out on some of the best talent in the market. By contrast, those companies with agile talent supply chain management strategies that allow them to recruit across all labour types and scale their operations on demand, are gaining a competitive advantage.

In the future we could reach the stage where people have work, but don't actually have a job. The nature of this work of course is very different. People will typically work at a number of professional activities at the same time. They might work behind a bar a couple of days a week, take on painting and decorating jobs on other days and do some driving for Uber in the evenings.

The key will be to embrace the opportunities that individualism and jobbing-out afford while also setting in place safeguards to protect people. Average job duration continues to shorten along with the lifespan of companies. While someone born in 1940 would have had an average of 2.4 jobs by the age of 40, one born in the 1960s has already had 4.1 jobs and the US labor department foresees that someone in education today will hold between 10 and 14 jobs by the age of 38. This means people will have to assume greater responsibility for their own career and there will be an important role for labour market intermediaries in identifying work opportunities and supporting people to move from one job to another and make swift and successful transitions in the workplace.

I believe that the developed world has reached a tipping point in the employer-employee relationship. At a certain age and stage in their lives people wake up to the fact that they don't want to live to work: and decide to organise their work around their lives. Time and again people cite the freedom, flexibility and sense of relief that they feel having broken free of the employee treadmill. Having witnessed corporate mergers and downsizing, workers no longer feel the same attachment to a single workplace. Instead, many are embracing self-employment in order to become masters of their own destiny. As people live longer and need to work longer to subsidise pensions and keep themselves active, I am convinced that we will see increasing numbers choosing to 'job out' and take the first step towards a better work-life balance.