

# The New Work Ecosystem Coming of Age

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Appeared on Rework, [cornerstoneondemand.com](http://cornerstoneondemand.com), February 2016

The emerging work ecosystem is controversial. As we approach a landscape into regular full-time employment is not the norm, leaders may think we are doomed to failure. However, today's controversies are the inevitable growing pains of innovation coming of age, and they suggest experimentation and growth—rather than demise.

## Ride Sharing... Beyond Uber 1.0

Ridesharing services like Uber and Lyft remain controversial, prompting suggestions that the contractor-based ride-sharing business model is [flawed or too risky](#), but these challenges are also motivating an evolution in the engagement model. Lyft settled a proposed class-action lawsuit in San Francisco federal court, paying \$12.5 million. Does that mean the demise of the contractor model? A closer look shows that Lyft will keep the non-employee classification for drivers, but offer [more worker protections](#), giving drivers notice if they are to be deactivated from the platform, deactivate drivers for specific reasons—like low passenger ratings—and provide opportunities to address issues before deactivation.

A [planned strike by Uber drivers](#) in New York reveals worker dissatisfaction, but also reveals better communication about rideshare remuneration. The proposed strike was motivated by a 15 percent reduction in fares, which on the surface sounds like cutting worker pay. Yet Uber spokesman Matthew Wing suggests the lower fares will induce

greater rider demand, reducing the time without a fare by 39 percent, and increasing driver hourly earnings by 20 percent compared to previous weekends. This is much like the earlier exploration among traditional employers like [Lincoln Electric](#) to find the right balance of volume and piece-rate pay.

Responding in part to increasing litigation about employment status, some companies, such as [Instacart](#), have chosen to allow workers to choose between contracting and part-time employment, while Uber and others stick with contractor models. Are we seeing evolution toward greater worker choice?

A more personal question—would you trust your child to a rideshare driver? New applications of the ridesharing approach are being tested. Many parents use Uber when they travel alone, but how many parents would trust their unaccompanied children’s transportation between school, dance lessons and soccer games to a ride-share driver they found through an app? [HopSkipDrive and Shuddle](#) are just such child-transportation services with impressive early success. Naturally, their approach to recruiting, selecting and verifying driver quality is far different from Uber. Every driver must have experience caring for children and needs to pass rigorous background checks, including a fingerprint check in some cases. Is this evolution? If rideshared contractor drivers can transport the most precious cargo – people’s children – then what transportation dilemma might not be addressed this way, with the right talent engagement models?

## **Lessons for Traditional Organizations**

Some companies take pages from the gig economy that can be applied in more traditional ways. Chicago-based MillerCoors is a beer-brewing conglomerate, far removed from ride sharing. Yet CHRO Michelle Nettles sees Uber as a motivator for her organization to consider greater flexibility. In an [interview with Olivia Barrow](#) at the *Milwaukee Business Journal*, Nettles said, “Talent wants to opt in and out at their leisure. It’s the ultimate convenience. It’s something on the hearts and minds of every HR professional.”

PwC recently launched its own [platform to attract freelancers](#), to extend its workforce beyond consultants employed full-time. [Eden-McCallum](#), a UK consulting firm, is built entirely on freelance consultants.

## **Experiments Across the Talent Lifecycle and Industries**

Look carefully at the gig economy, and you see an evolving system of service providers that seek to fill in the missing elements of the work relationship, all across the talent lifecycle:

- Part-time and contingent workers can be as engaged as regular employees under the [right circumstances](#). Some recommend [specialized recruitment questions for part-timers](#).
- PeoplePerHour has broadcast [television ads that recruit gig workers](#).
- [Shared Economy CPA](#) provides accounting services to gig workers, such as those who rent multiple properties through Airbnb, and was founded by [Derek Davis](#), formerly an associate at PwC and Deloitte.

- [“The Rideshare Guy”](#) is Harry Campbell, a former successful Uber driver, now marketing self-help videos for other Uber drivers.

## **Growing Pains Are Part of Evolution**

Talent platforms may add [US\\$2.5 trillion](#) to global GDP by the year 2025. Organization leaders, legislators, workers and society would be ill-advised to dismiss these new work arrangements hastily. Some may point to controversies and difficulties as the signs of extinction, but savvy leaders may want to look more carefully. We may be seeing evolution in action.