



Privately Speaking

Insights on private company growth
from private company insiders

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Tapping into the gig economy workforce

The shift towards the “gig economy” is having significant implications on corporate workforces. In this edition of Privately Speaking, we look at the growth of the gig workforce and offer some tips to help private market companies adapt their workforce strategy to make the most of this new source of key skills and capabilities.

What exactly is the gig economy?

One could argue that the “gig economy” is the height of the free market economy; workers contract with organizations for short-term engagements, selling their skills, capabilities and time directly to businesses on an “as needed” basis.

The shift towards the gig economy can be seen at both a macro and a micro level. Consider, for example, how ride-sharing platforms allow individuals to operate as taxi cabs. Or how organizations are using freelance software developers to create new apps and web features.

According to research by the Aspen Institute, more than 57 million workers globally were participating in the gig economy in 2017¹. A forecast by Intuit (another research firm) suggests that almost 8 million Americans will be regular “gig workers” by 2020.² Forbes reports that freelancers already account for more than a third of the U.S. labor market.³

Who are these gig workers?

Gig workers are not all millennial hipsters seeking different career paths and flexible work arrangements (though they do make up a significant proportion). In fact, research suggests gig workers are more likely to be married than their traditional counterparts. In the U.S., they are more often found in the Mountain and Pacific states. Many are parents seeking better work-life balance.



Did you know?

43% of the U.S. workforce is expected to be made up of freelancers in 2020, up from just 6% in 1989.

Source: Intuit Press Release, “7.6 Million People in On-Demand Economy by 2020” (August 13, 2015).

Gig workers are most likely to be found in areas that involve:

- Arts and design
- Computer and IT (particularly software and web developers and programmers)
- Construction and extraction
- Media and communications
- Transportation and material moving.

¹ Source: The Aspen Institute, “The Gig Economy” (January 2017).

² Source: Intuit Press Release, “7.6 Million People in On-Demand Economy by 2020” (August 13, 2015).

³ Source: Forbes, “Freelancers Now Make Up 35% of U.S. Workforce” (October 6, 2016).

How will you respond?

Some private market leaders may see the rise of the gig economy as a threat to their traditional talent strategy. Others are strategically embracing the gig economy by exploring ways to successfully integrate gig workers into their talent ecosystem.

Leading private market companies are now looking to create a talent strategy that draws upon the value of both full-time and gig economy workers to help improve business flexibility and drive competitive advantage. What is clear is that this new dynamic is creating new challenges for many organizations entrenched in the war for talent.

Four steps towards harnessing gig workers



- 1 Reexamine the workforce composition** and its impact on your business as a whole. The balance between your organization's number of full-time positions and freelance positions should reflect business needs.
- 2 Infuse a "gig" culture** into the work environment by incorporating more entrepreneurial aspects to existing roles. If possible, offer more flexibility and autonomy, which will help enhance the employee experience.
- 3 Redefine the Employee Value Proposition.** Since gig employees do not have the same legal protections or benefits as full-time salaried employees, organizations should consider revamping their employee value proposition to shine light on this advantage, especially for employees they wish to retain.
- 4 Evaluate HR policies.** Policies such as noncompete clauses and the benefit packages between full- and part-time employment may need to be modified to account for gig employment.

Private market companies seeking to drive future performance and create competitive advantage should be exploring the gig economy as a way to improve agility in the face of rapid workforce changes. Given the evolving digital agenda and shifting employee expectations, the leading private market companies are those that are creating a modern talent management strategy—one that leverages the gig culture to help the organization withstand the accelerating pace of change.

— **Conor Moore,**
National Private Markets Group Leader,
KPMG LLP

How can you access the gig economy?

Gig opportunities and platforms range from crowd sourcing, app- or web-based bidding and task-based work activities to the demand for outsourced providers with special skills.

For example, crowd sourcing invites organizations or individuals to access an online platform to outsource tasks to registered members.

Others tap into the gig economy through advanced freelancer platforms which allow individuals to set up a profile, bid on jobs relevant to their skills, and set their rates utilizing a mobile bidding platform.

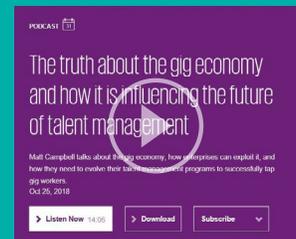
As you develop your talent strategy, ask yourself:

- 1** Are we creating a "future of work" that empowers both full-time and gig talent?
- 2** Are we being fair in how we reward permanent and flexible employees?
- 3** How can we help managers support a distributed team of fixed, flexible, remote, and local individuals?
- 4** Are we developing the people who join our company on a flexible basis?
- 5** Are we creating the right cultural fit for our gig workforce?

On the go? Listen to our podcast!

The truth about the gig economy and how it is influencing the future of talent management

Listen in as KPMG's Matt Campbell talks about the gig economy, how enterprises can exploit it, and how they need to evolve their talent management programs to successfully tap gig workers.



Download the white paper

Find out more about gig occupations, demographics for gig workers, specific talent implications and how to adapt talent management in **this recent KPMG white paper.**

[Read more >>](#)



How KPMG can help

In a world where workers are rethinking how they balance the flexibility that independence offers against the security of traditional employment, organizations must create a future of work that supports both full-time and gig talent. KPMG can help with the talent management, culture, and training shifts you'll need to make.



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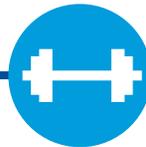
Starting your
business



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your business



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Contacts

Conor Moore
Partner
National Private Markets Group (PMG) Leader
T: 415-963-7559
E: conormoore@kpmg.com

Sal Melilli
Partner
National PMG Audit Leader
T: 212-872-6030
E: smelilli@kpmg.com

Brad Sprong
Partner
National PMG Tax Leader
T: 816-802-5270
E: bsprong@kpmg.com

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