



Agents of change

Independent workers are
reshaping the workforce

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Free agency is a growing feature of the new world of work. The shift toward workforce independence is inevitable—fueled by demographic changes, technological advances, and evolving human expectations of working life.

Today's workers are poised for change, less loyal to the idea of working for one employer for life, and more intent on being free agents in their own careers. In today's "gig economy," workers are choosing freelance projects and temporary assignments that interest them—always dreaming of the next opportunity.

The notion of a "job for life" now seems quaint. In many professional occupations, the traditional nine-to-five workday is superseded by looser arrangements. And free agency is increasingly embraced as a way of life across the age spectrum: among older workers looking to defer or redefine retirement, and younger workers looking to chart their own course.

For employers, this new era brings change and opportunity. Traditional talent acquisition models are being challenged, fueled by competitive pressures and technological advances. Companies only looking to recruit direct, full-time staff are missing out on some of the best talent in the market. By contrast, those with agile talent supply chain management strategies, allowing them to recruit across all labor types and scale their operations on demand, are gaining a competitive advantage.

In this white paper, we explore the results of the Kelly Services® 2015 Free Agent survey, based on responses from more than 5,200 workers across the U.S., Europe, and the Asia-Pacific region. New insights are offered into free agency's strengthening foothold in the workforce. We explain why free agents represent a new paradigm that is here to stay—and how savvy employers can embrace them.

Free agents rise

Nearly one in three workers is choosing free agency in the new post-recession era



They're passionate, liberated, and smart—and a key prize in the global race for talent.

Comprising nearly one in three workers, free agents serve organizations without being chained to them. Valuing freedom and flexibility, they contract independently rather than limiting themselves to one employer. They work as independent contractors, freelance business owners, temporary employees, and pursue “hybrid” workstyles—moonlighting with freelance projects and blending traditional work and freelance gigs.

Above all, free agents are confident in their value. They don't live to work. They organize their work around their lives.

Today, 31% of workers around the world are forsaking the traditional model of employment to pursue free agency. The shift is broadly consistent across the industrialized world. Free agents represent 34% of the workforce in the Asia-Pacific region, 31% in the U.S., and 27% in Europe.

Free agency is more than just a transient trend. It is a work choice that's here to stay, linked closely to changing attitudes, demographics, and economic conditions. Below are some key factors driving its durability.

Demographic shifts

People are living longer and the workforce in many Western countries is aging. This is creating new demand for fulfilling career experiences in later life. Older workers are increasingly delaying full retirement, and instead looking to phase down gradually while pursuing passion projects. At the other end of the

spectrum, younger people are drawn to the flexibility and the “work anywhere, anytime” dynamic inherent in the free agent workstyle, and they are influencing peers who follow in their wake. Maybe more striking is the commitment younger workers feel to the free agent workstyle, with nearly two out of three Gen Y free agents considering the workstyle a lifelong career choice.

New technology

The Internet is revolutionizing how people find and access work. Today’s workers are joining online social communities such as freelancer.com, Upwork, and TaskRabbit® to make connections. They are taking advantage of video conferencing, instant messaging, and cloud computing applications such as Dropbox and Office 365™ that allow them to store work on the Internet and retrieve it remotely. Physical location and “permanent” ties to employers are becoming less important. No matter where they are in the world, workers can use technology to access the work they want, when they want.

Erosion of traditional loyalties

In the Industrial Age, people typically honed their skills on the assembly line. Mass production and distribution gave rise to the modern corporation and it was not uncommon to work for the same employer for life. Globalization has introduced new competitive pressures, leading to the offshoring of jobs and a refocus on more project-based and service-oriented areas. It is also eroding brand and employer loyalties. Having witnessed the reality of corporate mergers and downsizing, workers today across generations no longer feel the same attachment to a single workplace. Instead, many are embracing free agency in order to become masters of their destiny and balance work with other life priorities.

Economic conditions

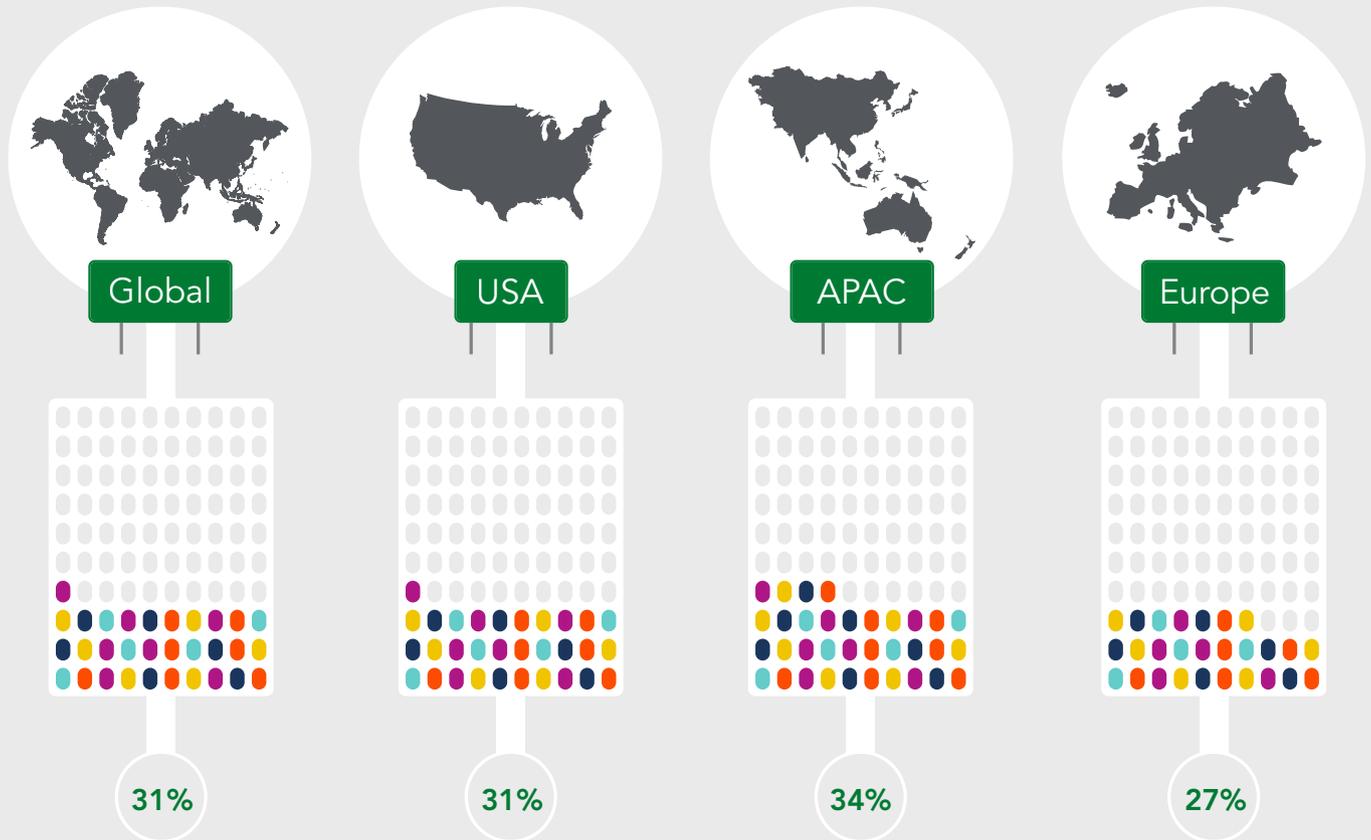
Economic conditions are another driver of free agency. In 2008, just 26% of U.S. workers identified as free agents. By 2011, this proportion had risen to 44%: a spike attributable to the global recession. As countries such as the U.S. suffered double-digit unemployment rates, many people turned to nontraditional workstyles out of necessity. It was anticipated that with economic recovery, free agency would level off, yet remain a strong component of the workforce. And that is exactly what happened.

Today, the key difference is that as economic conditions improve, free agents are increasingly choosing the arrangement as opposed to treating it as a necessary stopgap. Compared with 2011, the proportion of U.S. free agents “forced” into free agency by economic conditions has reduced by half, from 20% to 10%. If anything, free agents believe the emerging new gig economy is ripe with opportunities and rewards. Among free agents, 41% agree that the economic environment has strengthened the demand for work in their areas of expertise, and 71% believe free agency to be a viable employment option into the future. More than half (58%) of traditional workers say the recent economic environment has prompted them to consider adopting free agency as a career choice.

Free agency: a sign of confidence

The bottom line is that people are increasingly embracing free agency—not out of hardship and insecurity, but out of confidence and choice. Having reached this “new equilibrium” it is very likely that the number of free agents will only increase. What was once a niche employment option is now an accepted and viable arrangement across ages and skillsets, and around the globe. Free agency has truly arrived.

Percentage of the workforce who identify as free agents



Five types of free agent workers

A free agent is an independent worker or micro-entrepreneur who moves from project to project, contracting with a range of employers or clients.

Five categories of free agent workers*:



Independent contractors: (64% of global free agent population) freelancers who work for an employer on a per-project basis



Freelance business owners: (28% of global free agent population) those with up to five employees who consider themselves both a freelancer and a business owner



Temporary workers: (24% of global free agent population) workers typically hired for a fixed duration, often through an agency



Moonlighters: (13% of global free agent population) workers with a primary, traditional “day job” who also do freelance work on the side



Diversified workers: (4% of global free agent population) those with multiple sources of income from a mix of traditional and freelance assignments, with freelance work accounting for the majority of income



**May be represented in multiple categories*

A choice for young and old

Workers of all ages are embracing free agency,
with younger and mid-career workers reporting
the highest commitment levels



Workers of all ages are attracted to the free agent lifestyle, albeit for different reasons.

So often, free agency is characterized as a fringe arrangement tailor-made for the young and of little relevance to older workers. Think of college graduates sharing a co-working space or creating masterpieces on laptops while sitting in a café.

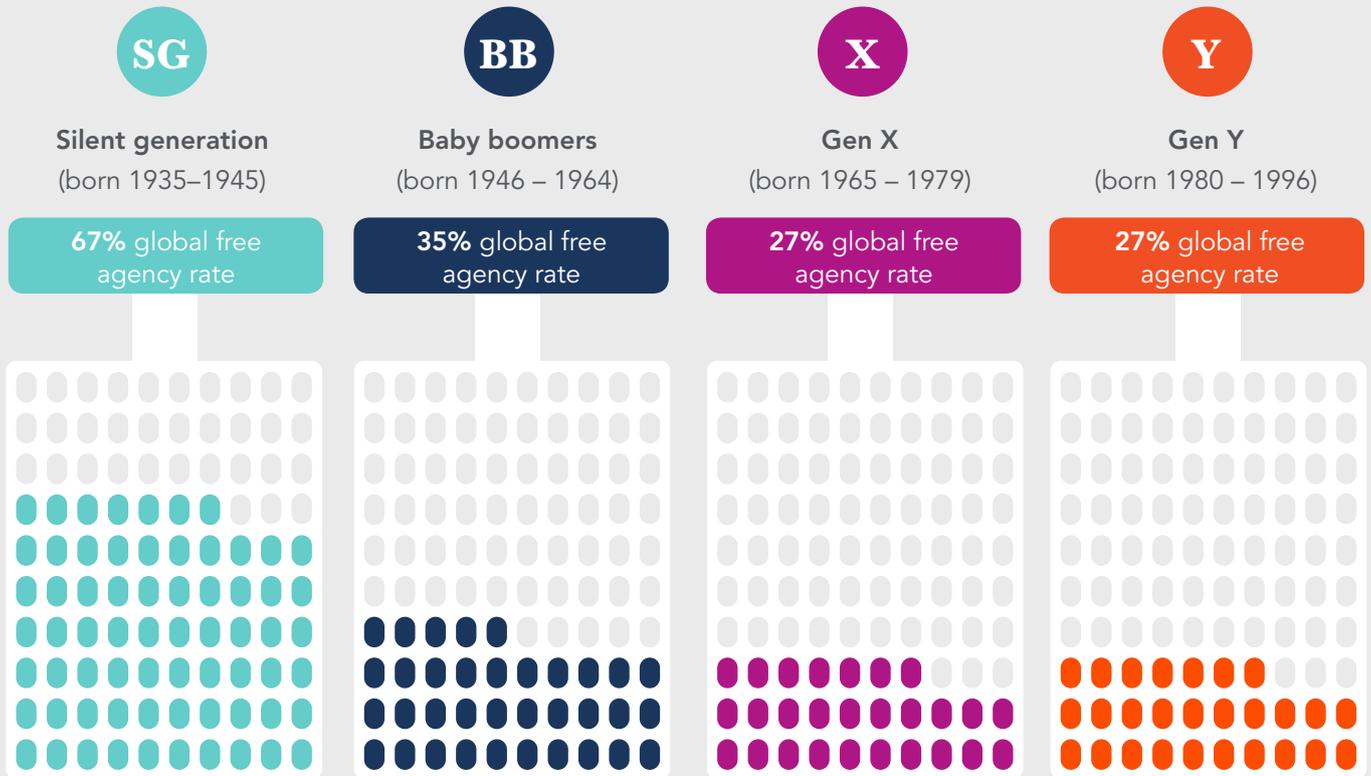
The true picture is more complex. Among the total free agent population, there is a near even split among workers from Gen Y (31%), Gen X (30%), and the baby boomers (34%), with the remainder belonging to the silent generation. A free agent today could equally be a Gen X parent juggling work and family responsibilities, or a mature worker seeking to transition out of corporate life on their own terms.

Within this complex picture, three key findings emerge:

1. Workers of all ages are embracing free agency.
2. As people progress in their careers and approach retirement, their propensity to work as free agents increases.
3. Younger workers see free agency as a choice for life.

Notwithstanding the appeal of free agency among older workers, Gen Y and Gen X workers represent the future of the workforce. Having grown up with little loyalty to the traditional workplace, and being especially comfortable using technology and social networking to pick up assignments, these groups will continue to drive adoption of free agency.

Percentage of workers in each generation who are free agents



The research demonstrates that while free agency is more than just a passing fad for the majority of workers, it is unmistakably settling in as a long-term career choice for workers at the younger end of the age spectrum. Among Gen Y and Gen X free agents, 64% and 62% respectively say they are committed to free agency as a career choice for life. This compares with 48% for the baby boomers and 46% for the silent generation.

Along with silent generation members, Gen Y appears to be influential promoters of the free agent workstyle. Half say that when they talk about their workstyle, others are curious and interested in doing the same. In addition, one-third of Gen Y traditional workers say they are likely to consider working as a free agent in the future. This is a further sign that the ranks of free agency have millions more people waiting in the wings.

U.S. generational trend data

Silent generation: In the U.S., the rate of free agency among the silent generation has increased 10 percentage points from 2011 and is well above 2008 levels. This indicates a major social transition among an important subset of older workers. Confident in their experience and achievements, their ultimate goal is to blend work into their sunset years, pursue a second or even third career, and subvert a traditional retirement.

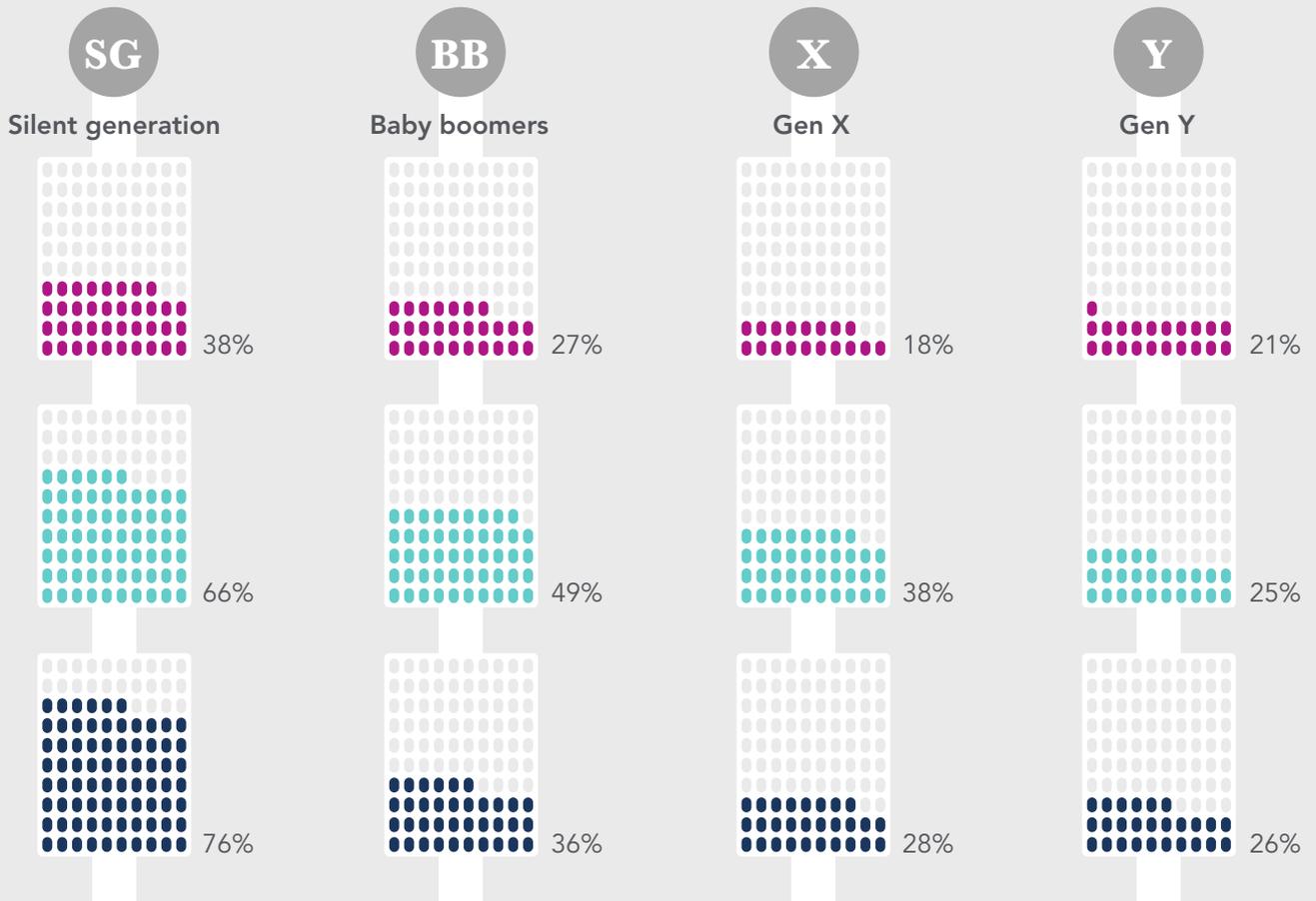
Baby boomers: In the U.S., the rate has resettled from a peak of 49%—in the wake of the global recession when economic conditions forced many to turn to free agency as a temporary solution. Today's rate of free agency among baby boomers in the U.S. is much higher than the 27% recorded in 2008.

Gen X: In the U.S., the rate has also resettled from a peak of 38% in 2011, suggesting that Gen X was another cohort forced disproportionately into free agency by the global recession. Today's rate of free agency in the U.S. among Gen X is nonetheless higher than the 18% recorded in 2008.

Gen Y: The rate of free agency in the U.S. among Gen Y continues to grow, rising from 21% in 2008 and 25% in 2011. This suggests younger workers' propensity to pursue an independent workstyle is resilient in the face of economic conditions. If anything, this group sees the improving environment as a reason to keep embracing free agency.

Percentage of U.S. workers in each generation who are free agents

2008 2011 2015



An educated choice

Free agents are top talent



Free agency today is not a last resort for people who can't find work, but is rather a sought-after career choice among workers who are confident in their abilities and opportunities.

Among the most educated

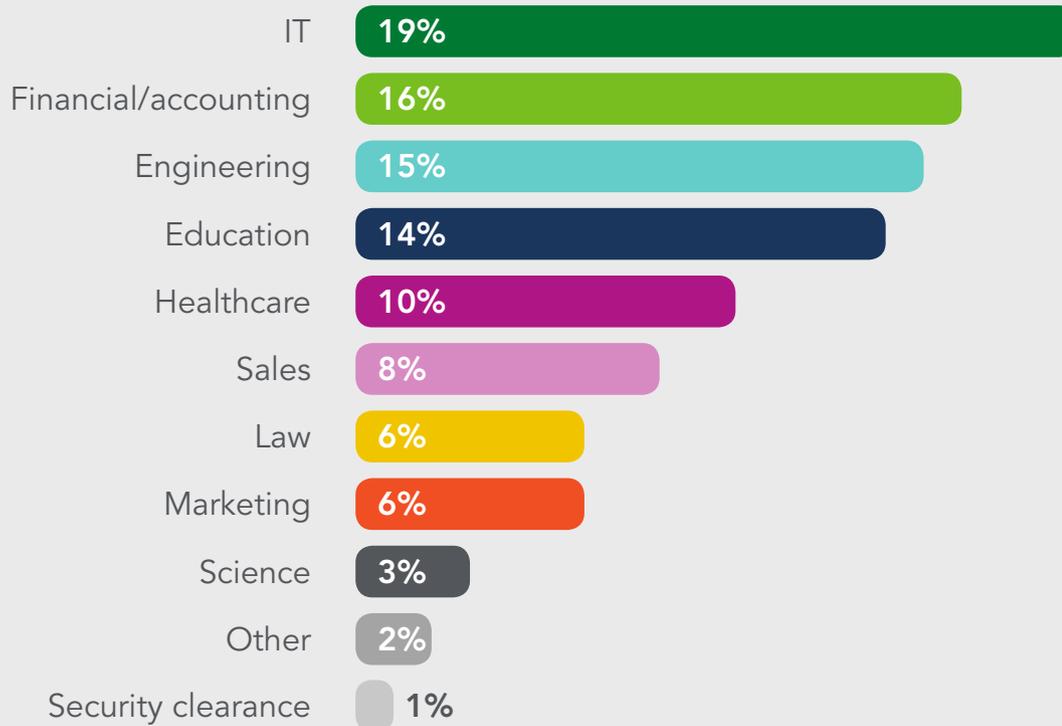
The representation of free agents is particularly strong among those with higher degree qualifications and professional or technical skillsets. For example, 48% of free agents possess a bachelor's degree or higher, compared to 36% of traditional workers; while 69% of free agents possess a professional or technical skillset, compared to 59% of traditional workers.

The skills profile of U.S. free agents is particularly advanced: 61% of U.S. free agents possess a bachelor's degree or higher—compared to 47% in Europe, and 28% in the Asia Pacific region.

Highly skilled

Free agency cuts across all industries with some key occupational "hot spots." Companies seeking top talent in professional/technical skill areas—especially in IT, finance/accounting, engineering, and education—will have to become increasingly facile in attracting and building infrastructure and cultures to accommodate the needs and work habits of the free agent.

Breakdown of all professional/ technical free agents



Entrepreneurs for their own employment

The values and motivations of free agents



Free agency is more than just a workstyle: it is a lifestyle, and the overwhelming majority chooses it voluntarily.

For many, free agency fulfills a deep desire for freedom and flexibility, and to avoid becoming bound by corporate life.

Below are some key motivations for workers who are embracing free agency.

Desire to control own career path

More than half of all free agents report that they do not want to work as a traditional employee (and the yearning to break free is even higher among U.S. free agents). More than three in five say free agency affords a greater sense of control to manage their own career path and development. This illustrates one of the key attributes of free agents: they crave to be more than just a number. Free agents tend to be freethinkers, often bucking societal norms and conventions for a more independent workstyle. This makes them less interested in joining an organization on the ground floor and climbing up a conventional career ladder. Embracing free agency is a way to circumvent this process and be entrepreneurs for their own employment.

Better work-life balance

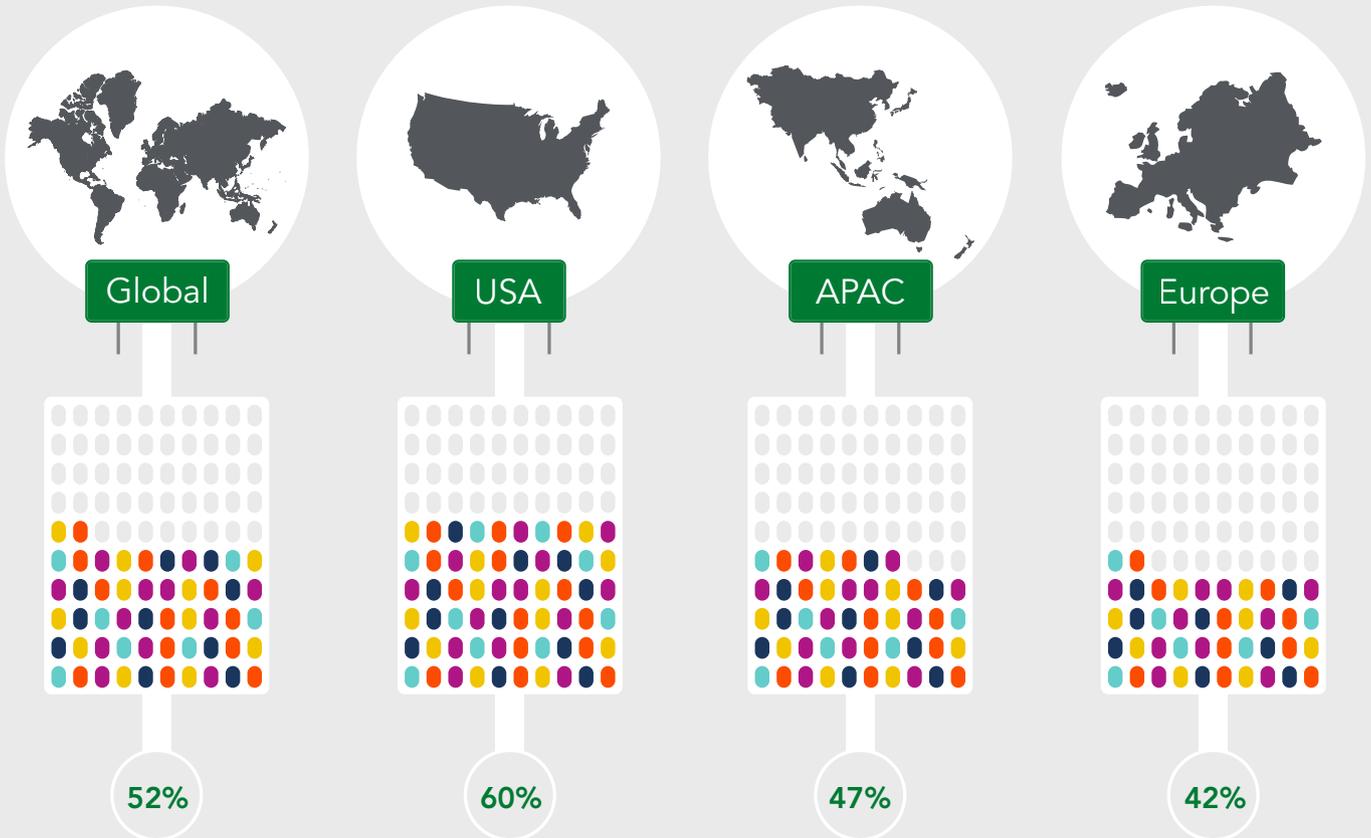
Nearly two-thirds of free agents say that free agency allows them to organize their work around their life, rather than the other way around. The ability to work remotely, take care of family concerns, achieve better work-life balance, and minimize stress are all attractions of the workstyle.

Opportunity to pursue passions

They might be an office administrator by day and a freelance fashion designer by night. Many free agents—including moonlighters and diversified workers—enjoy the opportunity to earn supplementary income in pursuit of their personal interests and hobbies, and in some cases, their true passion.

Land of the free

Percentage that work as free agents because they do not wish to work as a typical employee of a company



Trading up

Free agents are optimistic about their career prospects



Free agents don't simply value greater career autonomy, they see the workstyle as a surer path to career advancement.

Satisfaction is particularly high among those committed to free agency as a lifelong career path. While yesterday's free agents may have clung to the workstyle as a means of economic survival, today's free agents (as compared to their traditional peers) are generally happier, more optimistic about their career prospects, and firm in their belief that they are trading up.

Opportunity to gain skills

When weighing the pros and cons of their respective workstyles, free agents report higher satisfaction than traditional workers across most aspects of employment. They are much more upbeat than traditional workers about opportunities to expand their skillset and advance their career.

Job security on par with traditional workers

Free agents and traditional workers show similar levels of satisfaction with respect to job security: a surprisingly strong result for free agency given the varied nature of such work. One explanation is that free agents are accustomed to being in the driver's seat with respect to their own job security because they are not as tied to one organization's highs and lows. Traditional workers may feel less secure in the marketability of their skills to begin with, whereas those adopting and maintaining free agency are confident about remaining in demand.

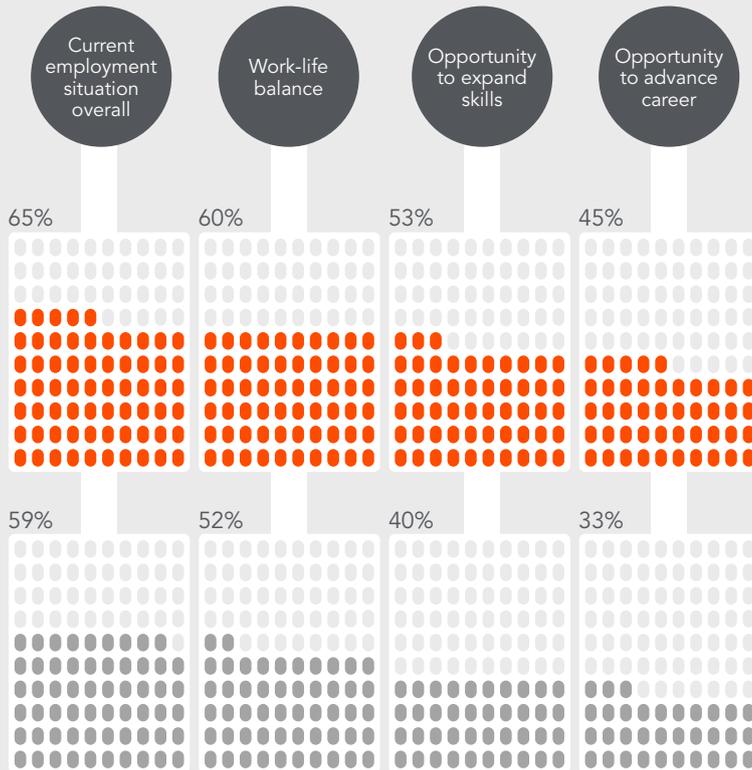
U.S. free agents are the most satisfied

Finally, it is worth noting that free agents in the U.S. are overwhelmingly more likely to report higher levels of satisfaction on key measures than their global counterparts.

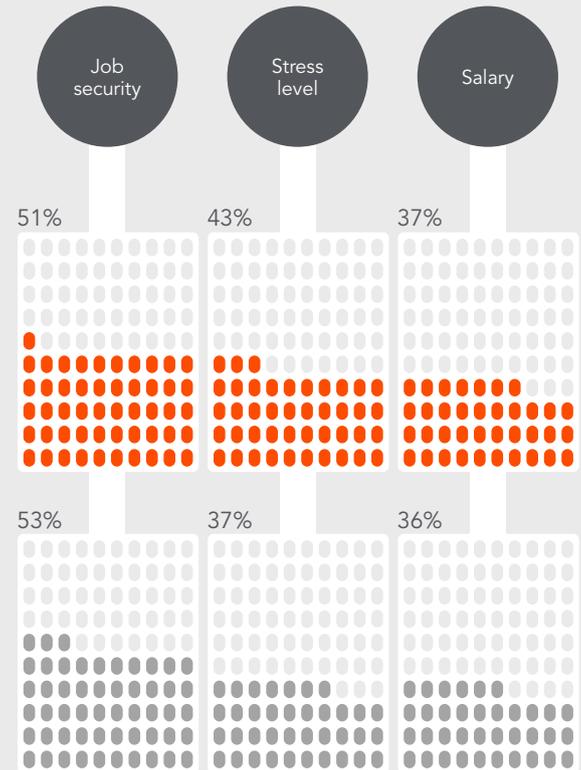
Global satisfaction rates

● Free agents
 ● Traditional workers

Free agent satisfaction **higher than** traditional employees

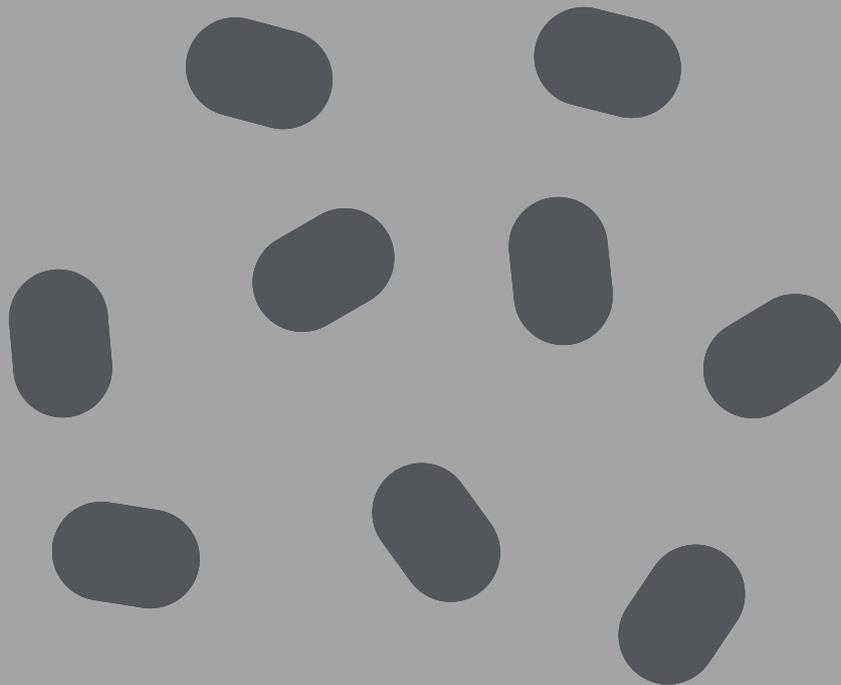


Free agent satisfaction **on par with** traditional employees



Traditional workers are tempted

Employers take note: attitudes among traditional workers show the free agent workstyle has their attention



Many traditional workers believe the grass may be greener as a free agent.

Curiosity abounds about free agency

Free agents have done a good job promoting the benefits afforded by their employment. Many traditional workers are curious and may even be open to trying the workstyle. For example, 24% of traditional workers would consider working as a free agent in the future, with 17% somewhat likely and 7% very likely.

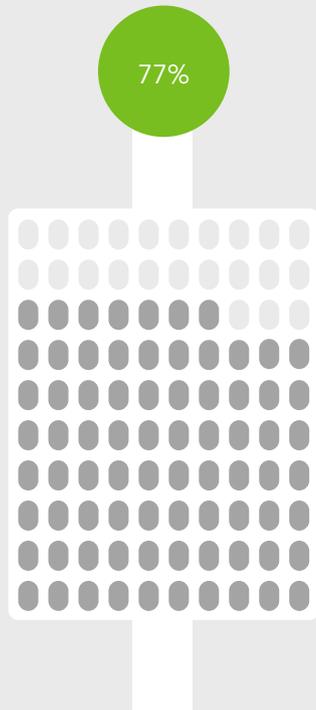
Traditional workers belonging to the silent generation are particularly tempted, as are workers from Gen Y: the segment of the workforce most set to expand.

Belief in more opportunities

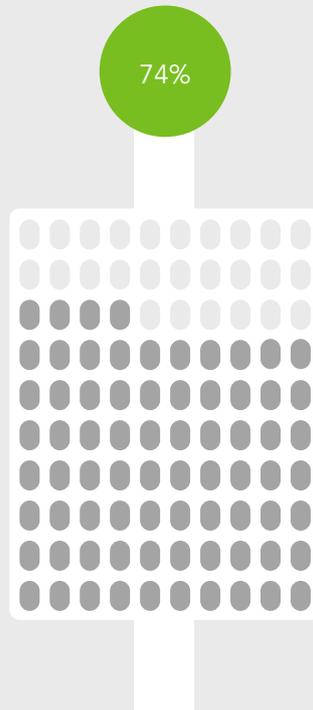
Traditional workers hold some common beliefs about free agency:

- That free agency would grant opportunities to exercise or use the skills that they most enjoy in their field of work (77%)
- That the work arrangement would open up a greater array of work opportunities and choices (74%)
- That free agency would allow them to move out of a management role, potentially moving them closer to what they love about their jobs (46%)

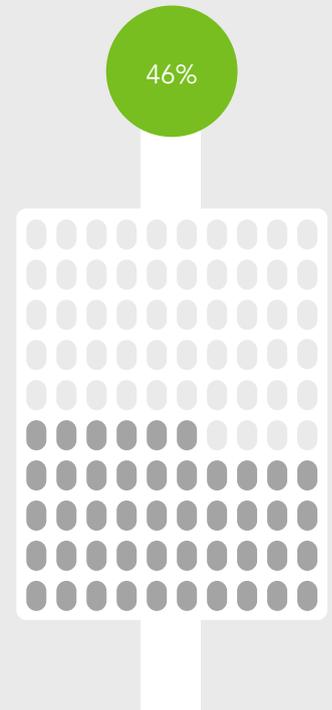
What traditional workers think of free agency



say it would allow them to leverage the skills they enjoy most



say it would open up a greater array of work opportunities and choices



say it would allow them to move out of management and get back to what they love the most

Concerns about free agency

Beyond those currently satisfied with their employment situation, key concerns preventing traditional workers from adopting free agency include a perceived lack of job security, lack of benefits, and concerns over paid time off. Following the passage of the Affordable Care Act, there has been a substantial decline in the percentage of U.S. workers anxious about a lack of health benefits under free agency, though it remains a factor in their reluctance.

Overall, the attitudes expressed by traditional workers suggest that employers need to retool their workforce practices in order to accommodate shifting worker expectations and demands.

The challenge for employers

Employers must embrace the overall notion of
free agency, inside and outside their walls



Traditional employers have been put on notice as the level of free agency solidifies.

Organizations depend on their ability to attract top talent. However, educated and talented individuals are increasingly picking their employer rather than the other way around. To prosper in this new environment, employers need to rethink the very fundamentals of their workforce strategy.

Talent acquisition

As a starting point, companies need to begin viewing all talent working on their behalf—traditional employees and free agents—as key components of their talent supply chain. Such mindset changes can be tough. Many traditional employers are not equipped to see beyond the paradigm in front of them. Human resources departments often have visibility only into their traditional employee ranks, while procurement groups manage acquiring free agent talent as a separate endeavor.

Workforce scalability

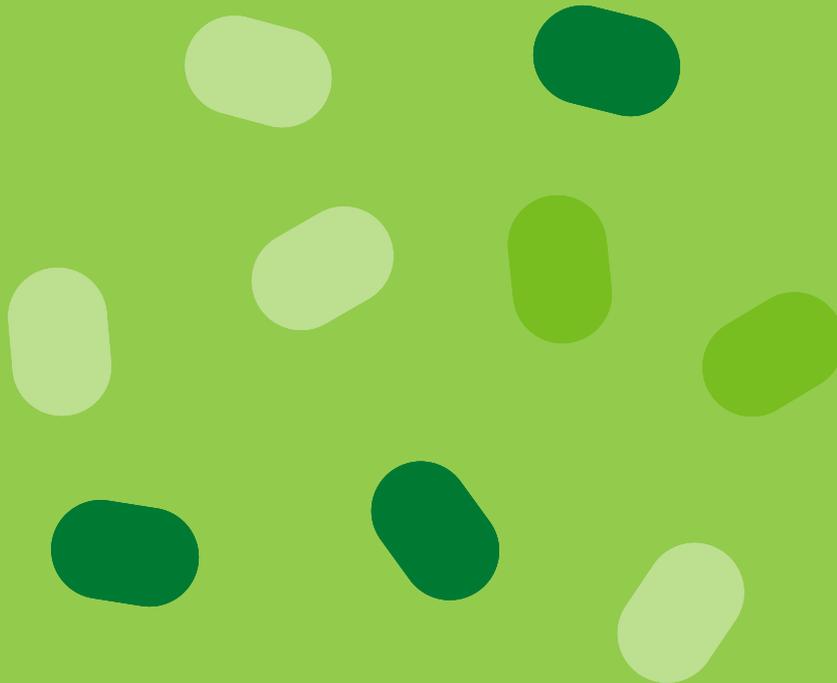
The companies that are best at utilizing free agents operate a bit like movie sets. They summon the skillsets they need to complete each component of the job, only for the actual time required. So, just as a film director has no use for the costume designers on set at the same time as the cinematographers or marketing team, companies can find it more efficient to bring in key talent only when and where they're needed. They can rely on free agents to ramp up staff numbers when customer demand is high and revert to a core team during periods of relative downtime.

Cater to the best

Employers, of course, place a high value on the retention of the best talent. But to truly engage and nurture the best (free agents or traditional employees), employers need to bridge the gap between what they are offering and what their workforce wants. Those that can credibly promise strong benefits, greater flexibility, and rewarding career paths will gain a greater competitive advantage by leveraging top talent when and where they need them.

Recommendations

Some practical tips for employers



Make free agents prominent in overall workforce strategy

Employers should consider introducing a flexible employment model that blends traditional and free agent talent and allows for operational scalability during business peaks. This will involve taking stock of the existing workforce, the amount of money the organization is already spending on free agents, and departments that could be redesigned or restructured to benefit from this talent channel.

Ultimately, a company's hiring practices will depend on its workforce strategy. A company that prioritizes the versatility of its skills base will have a different mindset than one focused on costs or risk. A worthwhile task for employers is to identify and rank the variables that are important to their workforce strategy—and then assess the merits of hiring free agents versus traditional workers against each of those factors. Bear in mind that while some employers may shrink from hiring free agents because of perceived risk, sometimes the greatest risk to an organization is the talent it is missing out on.

Harness the power of older workers

Many older workers are eager to delay retirement. Employers should accordingly develop a clear strategy to take advantage of these workers' skills, institutional memory, life lessons, and deep contacts. For example, companies can create mature talent pools—inviting retirees back into the workplace for project work or to host mentoring and training sessions. Companies may also need to update their staffing policies to allow for this kind of flexibility. There's no point having one department conducting a frantic search for talent while a former star employee is trapped in red tape over whether retirees can return to the workforce.

Tap into online communities

Employers looking to source free agents should have an understanding of where these talent pools live, work, and play online. Workers of all types typically band together in communities of common interest. Knowing how and where key talent interacts online gives employers an additional channel for engagement. Employers should also consider the rapid growth of online talent communities, including Freelancer.com, Upwork, and TaskRabbit. It's predicted that sites like these will be a \$50 billion global industry by 2020. They are already particularly popular among Gen Y free agents as a way to work in today's gig economy.

Improve your brand

Corporate values and alignment are important to free agents. They don't just seek projects that are interesting or pay well, but organizations with which they feel an affinity. In a world where workers evaluate companies as much as companies evaluate them, employers need to ensure their reputation attracts free agents. They should consider how workers perceive their brand, and make adjustments where necessary. This could involve improving the attractiveness of their physical premises, modernizing their website, and designing better job advertisements and recruiting materials. It might also mean emphasizing the company's ethical foundation, staffing diversity, and commitment to corporate social responsibility.

Build a free agent culture for traditional employees

Employers eager to maximize their chance of retaining talented in-house staff should build more freedom into their workplace. Today's workers increasingly value flexible schedules, telecommuting, the ability to work across an array of devices (such as laptops, smartphones, and tablets—not just the office workstation), and opportunities to build a diverse portfolio of interesting clients and projects. Employers will differ in their ability to accommodate these preferences, but the aim should be to build a free agent culture—or at least sensitivity—in their companies.

One idea might be to put upcoming projects on the intranet and allow workers to bid for them, rather than allocating tasks centrally. Another focus should be on designing better free agent career paths for in-house employees. Rather than rigidly adhering to the original hiring contract, staff could be given greater latitude to switch between full-time and part-time work depending on their competing life priorities. They could be encouraged to take sabbaticals to study, see the world, and pursue freelance projects or other outside interests. This is better than forcing restless workers to sever ties altogether.

Refresh the environment

Many free agents are motivated by a desire to escape the perceived routine and drudgery of the office, to work in physical spaces that inspire them, and to blur the edges between work and recreation. To keep the best talent, shrewd employers might brainstorm ways to freshen up their physical work environment. It's not just a matter of having drinks after work, installing a pingpong table, or putting beanbag chairs next to the kitchen. Still, creating a more lively work experience signals to workers that they are being valued and acknowledged as multidimensional people.

Engage the right workforce solutions partner

Whether employers want to do a better job of retaining existing staff or integrating free agent talent, it's important to get the best advice. Organizations benefit from receiving a steady flow of new ideas and proven solutions. With the right workforce solutions partner who understands the free agent population and knows how to harness this population to meet business objectives, employers can look forward to the future with confidence.



About the author

Teresa Carroll is senior vice president and general manager of Global Talent Solutions for Kelly Services®, a leader in workforce solutions.

Ms. Carroll reports to George Corona, executive vice president and chief operating officer. In her role, she manages Kelly Outsourcing and Consulting Group (KellyOCG®) in addition to overseeing Kelly's global sales function and the Company's centralized delivery team. During her 20 year tenure with Kelly, Ms. Carroll's experience has encompassed business development, operations management, service excellence, marketing and solutions design. Previously, she was senior vice president, Centers of Excellence (CoE) and general manager, Kelly Outsourcing and Consulting Group (KellyOCG). She directed product and solution strategy and managed the professional, technical, and outsourcing and consulting practices within the CoE across the Americas, EMEA and APAC regions. Ms. Carroll was instrumental in the creation and implementation of a seamless and integrated approach to talent supply chain management to Kelly clients throughout the world.

Under Ms. Carroll's leadership, KellyOCG, was named to the Global Outsourcing 100 Services Providers List by the International Association of Outsourcing Professionals (IAOP), in the Leaders category, for four consecutive years, 2012, 2013, 2014 and 2015. In 2010, she was named to the "Women Worth Watching" List by Profiles in Diversity Magazine and was recognized as a "Pro to Know" by

Supply & Demand Chain Executive Magazine in 2012. In 2014, Staffing Industry Analysts named Ms. Carroll to their annual Staffing 100 list. In addition, she is a notable speaker in the areas of service excellence and talent supply chain management.

Ms. Carroll has also been instrumental in supporting the rise of women colleagues at Kelly as a founding member of the Company's internal business resource group, Leadership in Action (LIA). The group is dedicated to helping prepare and develop current and future leaders in the global marketplace.

Prior to joining Kelly, Ms. Carroll was employed by General Motors Corporation as a resident/industrial engineer. She holds a master's degree in business administration from the University of Michigan, and a bachelor's of science degree in industrial engineering from the GMI Engineering and Management Institute (now Kettering University) in Michigan. She is a member of the Beta Gamma Sigma Business Honor Society and the Society of Women Engineers. In addition, she serves on the advisory council of the Workable Futures Initiative at the Institute for the Future, an independent, non-profit research organization based in Palo Alto, California.

SURVEY METHODOLOGY

The 2015 free agent research was conducted online by Inavero® on behalf of Kelly Services among a representative sample of adults active in the global workforce.

ABOUT KELLY SERVICES

As a global leader in providing workforce solutions, Kelly Services, Inc. (Nasdaq: KELYA, KELYB) and its subsidiaries, offer a comprehensive array of outsourcing and consulting services as well as world-class staffing on a temporary, temporary-to-hire, and direct-hire basis. Kelly® has a role in managing employment opportunities for more than one million workers around the globe by employing 550,000 of these individuals directly with the remaining workers engaged through its talent supply chain network of supplier partners. Revenue in 2014 was \$5.6 billion. Visit kellyservices.com and connect with us on [Facebook](#), [LinkedIn](#), & [Twitter](#).

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