Applying the Sharing Economy and Access Models
For Human Resources in the B2B Community

A major research project presented to OCAD University in partial fulfillment of the requirements for the degree of Master of Design in Strategic Foresight and Innovation

Toronto, Ontario, Canada April 2015
© Naseer Roopani 2015
This work is licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 2.5 Canada License. To see the license go to http://creativecommons.org/licenses/by-nc-sa/2.5/ca/ or write to Creative Commons, 171 Second Street, Suite 300, San Francisco, California 94105, USA

Creative Commons Copyright Notice

This document is licensed under the Creative Commons Attribution-No Derivative Works 2.5 Canada License.

You are free to:
To copy, distribute, display, and perform the work

Under the following conditions:
Attribution — You must give the original author credit.
Noncommercial — You may not use this work for commercial purposes.
No Derivative Works — You may not alter, transform, or build upon this work.

With the understanding that:

Waiver — Any of the above conditions can be waived if you get permission from the copyright holder.

Public Domain — Where the work or any of its elements is in the public domain under applicable law, that status is in no way affected by the license.

Other Rights — In no way are any of the following rights affected by the license:

• Your fair dealing or fair use rights, or other applicable copyright exceptions and limitations;
• The author's moral rights;
• Rights other persons may have either in the work itself or in how the work is used, such as publicity or privacy rights.

Notice — For any reuse or distribution, you must make clear to others the license terms of this work.
Author's Declaration

I hereby declare that I am the sole author of this thesis. This is a true copy of the thesis, including any required final revisions, as accepted by my examiners.

I authorize OCAD University to lend this thesis to other institutions or individuals for the purpose of scholarly research.

I understand that my thesis may be made electronically available to the public.

I further authorize OCAD University to reproduce this thesis by photocopying or by other means, in total or in part, at the request of other institutions or individuals for the purpose of scholarly research.
Abstract

For most organizations, nearly seventy percent of their operating expenses are workforce related, making it the single largest operating expense. As the economy faces tremendous pressure due to rapid technology change, cutthroat competition, along with efficiency and innovation demands, the uncertainty is driving employers to use on-demand contingent workers more than ever before.

This major research project outlines the challenges of the employment industry by thoroughly studying the complete employment lifecycle of independent contractors. It also examines external influences to understand the drivers of change. Furthermore, it leverages ideas, values, and business models to develop new frameworks to resolve challenges and create a collaborative environment that is mutually beneficial for workers, employers, the economy, and society at large.
# Table of Contents

List of Tables  
List of Figures and Illustrations  
Definitions  
Introduction  
Research Question  
Research Methods  
Consumption Evolution  
Corporate Consumption  
Stakeholder Matrix  
External Drivers of Change  
Employment Lifecycle Analysis  
Systemic Implications  
Insights / Disruption Opportunities  
Conclusion  
References  
Appendix
List of Tables

Table 1 – Consumption Models Page 19
Table 2 – Business Models Within The Automotive Industry Page 25
Table 3 – Business Models Within The Automotive Industry Page 106
Table 4 – Evolution of Sectors in the Automotive Industry Page 109
Table 5 – Models of Employment Page 111
Table 6 – Evolution of Sectors in the Employment Industry Page 111
## List of Figures and Illustrations

<table>
<thead>
<tr>
<th>Figure 1</th>
<th>Research Question</th>
<th>Page 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 2</td>
<td>Bite Size</td>
<td>Page 30</td>
</tr>
<tr>
<td>Figure 3</td>
<td>Less Steps</td>
<td>Page 32</td>
</tr>
<tr>
<td>Figure 4</td>
<td>I Want It Now</td>
<td>Page 33</td>
</tr>
<tr>
<td>Figure 5</td>
<td>On Demand</td>
<td>Page 34</td>
</tr>
<tr>
<td>Figure 6</td>
<td>Power Shift</td>
<td>Page 35</td>
</tr>
<tr>
<td>Figure 7</td>
<td>Curators/Middlemen</td>
<td>Page 36</td>
</tr>
<tr>
<td>Figure 8</td>
<td>Isolated Systems</td>
<td>Page 40</td>
</tr>
<tr>
<td>Figure 9</td>
<td>Competing For Attention</td>
<td>Page 42</td>
</tr>
<tr>
<td>Figure 10</td>
<td>The Flood</td>
<td>Page 43</td>
</tr>
<tr>
<td>Figure 11</td>
<td>Five Filters</td>
<td>Page 44</td>
</tr>
<tr>
<td>Figure 12</td>
<td>Project’s Needs</td>
<td>Page 48</td>
</tr>
<tr>
<td>Figure 13</td>
<td>Small and Medium Enterprise (SME) Needs</td>
<td>Page 50</td>
</tr>
<tr>
<td>Figure 14</td>
<td>Knowledge Exodus</td>
<td>Page 52</td>
</tr>
<tr>
<td>Figure 15</td>
<td>Outsourcing Commitment</td>
<td>Page 54</td>
</tr>
<tr>
<td>Figure 16</td>
<td>No Sense of Belonging</td>
<td>Page 56</td>
</tr>
<tr>
<td>Figure 17</td>
<td>Growth Ceiling</td>
<td>Page 58</td>
</tr>
<tr>
<td>Figure</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>--------</td>
<td>--------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Figure 18</td>
<td>Inefficient</td>
<td>59</td>
</tr>
<tr>
<td>Figure 19</td>
<td>Unaffordable</td>
<td>60</td>
</tr>
<tr>
<td>Figure 20</td>
<td>– Start-End Relationships</td>
<td>61</td>
</tr>
<tr>
<td>Figure 21</td>
<td>– Trial &amp; Error</td>
<td>62</td>
</tr>
<tr>
<td>Figure 22</td>
<td>– Independent Contractors</td>
<td>63</td>
</tr>
<tr>
<td>Figure 23</td>
<td>– Access Model</td>
<td>68</td>
</tr>
<tr>
<td>Figure 24</td>
<td>– Collaborative Consumption</td>
<td>70</td>
</tr>
</tbody>
</table>
Definitions

**Collaborative economy**: an economy built on distributed networks of connected individuals and communities transforming how we produce goods and services through collaborative networks, and how we consume with maximum utilization of assets through efficient models of redistribution and shared access (“The Sharing Economy Lacks A Shared Definition,” n.d.).

**Collaborative consumption**: an economic model based on sharing, swapping, trading, or renting products and services, enabling access over ownership (“The Sharing Economy Lacks A Shared Definition,” n.d.).

**Sharing economy**: an economic model to share underutilized owned possessions (objects, spaces, or skills) for monetary or other benefits generally referred to as peer-to-peer (P2P) marketplace (“The Sharing Economy Lacks A Shared Definition,” n.d.).

**Contingent Worker**: “workers who are outside an employer’s ‘core’ workforce, such as those whose jobs are structured to last only a limited period of time, are sporadic, or differ in any way from the norm of full-time, long-term employment” (“Enforcement Guidance,” 2000). Types of contingent workers include

- **Part-time employees**: traditional or regular employees that work fewer hours than full-time employees.

- **Temporary Employees**: employees assigned to work in clients’ offices for a limited time that are hired, trained, and paid by the temporary staffing firm (Diana & Rome, supra note 41, at 8, 9.)

- **Leased Employees**: a paid employee of the ‘professional employer organization’ who is *leased* out to service recipients to perform human
resource functions. The leased employee performs under the primary
direction of service recipient on a substantially full-time basis (Hutzelman,
2001)

**Independent Contractors (IC):** a professional self-employed individual
who is contracted to perform a specific task, based on a defined time period
or task completion. Independent contractors are self-directed and are under
total control of the way they perform the task (Horne, Jr, & Herman, 2014).

**‘Master Vendor’ Employers:** a staffing firm hired by service recipient to
provide most or all of the necessary temporary workers. They handle all the
payment transactions with the service recipient and mostly subcontract
with other staffing firms; hence they are referred to as the ‘master-vendor’
(Horne et al., 2014).
Introduction

The economic conditions of the past several decades challenged employers with recruitment, retention and compensation strategies, whereas today employers are challenged with creative restructuring, downsizing, outsourcing, and outplacement (HR People Strategy, n.d.). These employers are faced with economic pressures due to the recent recession, rapid technology change, increasing competition, and the demand to reduce cost, boost productivity and innovate. This economic uncertainty is driving employers to fill more roles with on-demand contingent workers (Staffing Industry Analysts, 2014). In this environment, desire for flexible work options continues to increase (Kelly, 2011), and employers are confronted with non-traditional workers who want work-life balance (entrepreneurship, technology, TIME, Today, & City, n.d.). Workers in this changing dynamic do not work at one company for a quarter century expecting fulltime employment pensions, job security, and health benefits (The Atlantic, 2011).

According to Kelly Services 2011 Free Agent Survey, over forty percent of workers already consider themselves contingent workers (Lincoln & Raftery, 2011) – a seventy percent increase from since 2008 (Kelly, 2012). By 2020, more than fifty percent of private workers may be independent workers (“MBO Partners - Majority of Workforce Will Be Independent by 2020,” n.d.).

Non-employees, or rather contingent workers, are also known as free agents (Schawbel, n.d.) – skilled professionals who independently jump from company-to-company working on project-to-project, continually enhancing their knowledge, experience and skill base with every engagement (Lincoln & Raftery, 2011). While traditional employees value job security, they look for flexible, rewarding, and

For employers, commitment to permanent employees is indefinite, the risk of hired staff not working out is potentially high ("What Is the True Cost of Hiring a Bad Employee?," n.d.), and associated costs can be unbearable, especially for startups and small businesses. The economic downturn has been a major driver in increased adoption of a non-employee workforce ("Contingent Workforce Solutions for Canadian and U.S. Businesses » Contract Work Rising, HR departments Need to Develop New Talent Management Strategies," n.d.) because it enables companies to augment permanent employees and allows them to be agile and nimble in this volatile period (Forrester, 2013). Turbulent economic times have required companies to look for alternative staffing strategies. While historically, use of contingent workers would increase only when the economy goes down ("Managing Contingent Labor," n.d.) in today’s economy non-permanent employees play an important role in workforce composition.

Human capital concerns are shifting for companies as they prioritize the core twenty-two percent of permanent employees that reliably create the vast majority of enterprise value (Schrage, n.d.), and contemplate their relationships with the rest, economically. The question has shifted from who should we get to
complete the work, to *how* are we going to get the job done. Job seekers are not just competing against one another; they are also competing against alternative ways to complete the job (Schrage, n.d.).

In Canada, of all the employment growth (permanent or temporary) since the recession began in 2008, almost eighty percent employees are temporary (Globe & Mail, n.d.), and this trend continues to grow, faster than permanent positions (“Canada’s shift to a nation of temporary workers,” n.d.). More companies are hiring contingent workers than ever before because hiring niche talent to tackle targeted business challenges is less costly over time (Schawbel, n.d.), and does not require bearing the costs of full-time permanent employees including benefits and pensions (Careerbuilder, 2012). Contract employment increased more than three hundred percent between 1997 and 2009 (“Contingent Workforce Solutions for Canadian and U.S. Businesses » Why Add Contract Placements to Your Staffing Business?,” n.d.), and Canada hit a record two million temporary workers in 2012 (“Take The Globe and Mail survey on temp work,” n.d.). Sixty percent of the Canadian staffing industry consists of general staffing, for example, clerical and light industrial workers, and another forty percent is professional staffing such as information technology, engineering, and finance workers (Staffing Industry Analysts, 2012); in the U.S., the split between groups is closer to equal.

The focus of this paper is on the professional staffing industry in Information Technology (IT) and how the sector can leverage collaborative consumption economy models (“Collaborative Economy,” n.d.) to embrace free agency as not just a trend, but a new workforce paradigm that is shaping the future of business (“What The Rise Of The Freelance Economy Really Means For Businesses,” n.d.).
Fundamental values of workers are shifting as they prioritize better work-life balance, meaningful engagement, and continually develop skills to become effective contingent workers and work for variety of employers (Lincoln & Raftery, 2011). This brings tremendous potential for workers, as companies begin altering their workforce composition, talent management, and staffing strategies ("Free Agents," n.d.).

While non-employees include many types of workers such as temporary workers, online sourced workers, outsourced workers, and others, the focus for this paper is on independent contractors (IC), sometimes also referred to as consultants or freelancers (Staffing Industry Analysts, 2015).
Research Question

In a consumerist society, economic success has fundamentally been correlated with possession and ownership at its core (Aquise, n.d.) but values of millennials are drastically different than baby boomers ("Will Millennials Drive the Shift from a Consumption-Based to a Values-Based Economy?," n.d.), especially when it comes to work (IVEY Business Journal, 2011). They are changing their behavior compared to previous generations ("The New Millennial Values," n.d.), especially with respect to acquisition of goods and the status they confer. The needs or experiences these assets fulfill, rather than assets themselves, are important (Christensen, Cook, & Hall, 2006). Access, experience, and convenience trump ownership (Mathews, 2011). These shifting values have carved a path for an entirely new economic model – the collaborative consumption economy (Botsman & Rogers, 2010, Forbes, 2012). These values have certainly permeated into the employment industry as the commitment to acquiring assets also applies to employees as the commitment of permanent employment.

Given the changing employment landscape, how can business-to-business (B2B) communities apply business models from the collaborative consumption economy for professional staffing needs?

How can businesses gain competitive advantage by adopting collaborative consumption behavior and sharing economy models, for human resources needs?

How can we enable free agents to work collaboratively, efficiently, and autonomously?
How can we level the playing field for small businesses by supporting their human resources needs using these models?

Figure 1 – Research Question
Current Landscape: How the temporary employment system works now

As the American economy approaches pre-recession levels of hiring resources again ("Buyers’ market no more: Time to upgrade the partnership," n.d., Bureau of Labor Statistics - U.S. Department of Labor, 2015), the employer-employee relationship that drove the traditional workplace is undergoing profound transition. Companies are reconsidering conventional assumptions about managing their workforce and abandoning long-term job security and lifetime career development programs to favor flexible workforce composition: short-term contracts, temporary staffing, and outsourcing ("The New Deal at Work," n.d.). The “Just-in-Time” manufacturing methodology is evolving into "Just-in-Time" employment (Feldman, 1994). This approach is a philosophy of increasing efficiency and eliminating waste completely from the manufacturing process by making “only what is needed, when it is needed, and in the amount needed”, ("Toyota Global Site | Just-in-Time," n.d.).

Within the professional staffing industry, the need for temporary workers has grown tremendously in the Information Technology (IT) industry (Staffing Industry Analysts, 2014). The benefits of this approach are recognized by workers, businesses, economists and policymakers, for being flexible, and cost effective (Acsess - Association of Canadian Search, Employment and Staffing Services, 2012). In addition, high skilled temporary workers enjoy the flexibility, independence, and higher upfront pay that non-permanent work provides (The Contract Employee’s Handbook, 1997), despite the job insecurity. Combined with IT' growth and adoption of project management methodologies and project based work ("IT Hiring, Budgets
In 2015,” n.d.), it is more suitable for companies to hire employees for project-based short-term periods, and allow for flexibility of hiring another employee for the next project, or not hire anyone at all if there is no need. The rise in IT, uncertainty of projects, and project-based work continues to fuel the need for low-commitment short-term employment ("Contingent Workforce Solutions for Canadian and U.S. Businesses » Contract Work Rising, HR departments Need to Develop New Talent Management Strategies," n.d.), and is likely continue to rise over the next few years ("Contingent Workforce Solutions for Canadian and U.S. Businesses » Strategic Sourcing," n.d.). More IT professionals continue to willingly join the independent workforce ("More IT Pros Going Independent by Choice," 2012).

The rise in IT Independent contractors directly impacts growth of an IT staffing agency’s business of connecting workers and employers (Permalink, n.d.). Staffing agencies prove beneficial mutually for workers and employers as they perform due diligence to prescreen candidates for required skills, experience, and cultural settings ("Staffing Agency Benefits," n.d.), and present employers with handpicked candidates to choose from. In return, they charge employers an hourly bill rate, which includes worker’s pay rate, and lucrative markups to cover agency’s operations and profits (Matherly, 2013). In IT professional staffing, bill and pay rates are higher, and gross and net profits are also higher than industrial staffing (Staffing Industry Analysts, 2015), and the market continues to grow steadily (Computer Economics - Metrics for IT Management, 2007, Staffing Industry Analysts, 2014).

The exponential growth of recruiting agencies has introduced another level in the system; the master vendor that acts as one point of contact for an employer,
and also creates standardized, streamlined processes to deal with many recruiting agencies and many more independent contractors. Similar to the recruiting agency, master vendors also take commissions on every hourly rate for placing independent contractors.

Throughout the contract, independent contractors function similarly to a company employee in carrying out their activities. They have fulltime hours, desk and office space, office access, and similar reporting structures (Yoh, 2012). On the surface, they appear identical to permanent employees, but they are quite different contractually. They are hired for specific time periods as contracts have a start-date and definite end-date (“IEEE Independent Contractors,” n.d.). They are well compensated, usually charge hourly fees for their work, and do not receive any benefits, vacations, statutory holidays, sick days, CPP contributions, and Employment Insurance (“An In-Depth Guide for Independent Contractors in Canada,” 2011).

What evolved as a convenient way to hire short-term workers to fulfill immediate needs has turned into an enormous industry that is now being challenged in many ways. The distinction between employee and independent contractor has been a sensitive debate in human resources for a long time now (Kiely, 2011). Issues surrounding employer-employee relationship (Government of Ontario, n.d.) and worker classification is an important topic (Pihart & Ruwe, 2008) (Staffing Industry Analysts, 2014), and has received a lot of attention as the industry grows (“Contingent Workforce Solutions for Canadian and U.S. Businesses » The State of the Workforce,” n.d.). Worker misclassification (categorizing employees as something other than employees, such as independent contractors) brings many
potential risks for employers and the staffing industry overall ("Contingent Workforce Solutions for Canadian and U.S. Businesses » Risk Watch 2014," n.d.). If a dispute or audit occurs and the Canada Revenue Agency rules a working relationship as employer-employee, and not an independent contractor, the staffing company that hired the staff can be forced to pay Federal Taxes, CPP and EI, in addition to other fines and penalties (Fear of Worker Re-Classification for Contract Staffing, 2013).

In contrast, however, some believe the reason to embark on temporary work is involuntary, and the result of not finding full-time permanent work (Recruitment & Employment Confederation, n.d.). A joint study by United Way and McMaster University revealed four in ten people in the Greater Toronto Area and Hamilton region are in some degree of precarious work (employment relationship that lacks security and/or benefits), with nearly a fifty percent rise in the last two decades ("Canada’s shift to a nation of temporary workers,” 2013). Beyond the notion of ‘decision-making authority’, precarious employment creates new types of uncertainty in expectations regarding issues such as future work, income, benefits and schedules (Benach & Muntaner, 2007). Precarious employment is considered a social determinant that affects the health of workers, families and communities (Benach et al., 2014). Precarious work-societies are a source of individual and social vulnerability and distress, affecting family and collective security (Wilson & Ebert, 2013).

The growing need for short-term employment is considered crucial for business survival in many sectors (Croteau, 2014). However, the current situation is inefficient, expensive, and plagued with many challenges.
Research Methods

For this major research project, the following research methods were applied as they provided an understanding of cultural, social, and economic shifts in general consumption behavior, human resource consumption by employers, and its impact on the larger economy and the areas surrounding employment. These methods further distilled how current values and behaviors have given birth to a new economy that allows people to re-evaluate the idea of ownership and sharing, and reconsider how they engage with products, companies, and more importantly, people.

1. Concept Mapping

The process included creating visual maps of relationships between numerous thoughts, ideas, words and illustrations related to the contingent workers, employment, staffing industry, and sharing economy. This method helped process the information gathered and generated different interpretations of the various consumption models, human resource methodologies, and industry comparisons ("Design Research Techniques," n.d.).

2. Environmental Scanning

This scanning allowed for exploration, observation, investigation and a systematic description of the many generations of workers, the sharing economy, human resource consumption by employers, and the staffing industry to outline the current employment landscape of companies and industries offering various products, and services through unique models. This identified implications of the current employment landscape including economic, social, environmental, political, and technological contexts (IFQ, 2010).
3. **Industry Comparison**

This comparison was to comprehend how the world of employment has evolved in comparison to other industries like automobiles, and also appreciate how industries like automobiles have adopted the sharing economy with great success over the last decade. Understanding the application of the sharing economy in other industries provided a context to leverage them in the world of employment for independent contractors.

4. **Lifecycle Analysis**

A complete step-by-step analysis was undertaken of the entire employment lifecycle of an independent contractor to identify the challenges and gaps. The holistic and visual approach allowed for a systemic analysis of the employment lifecycle and lead to the discovery of systemic drivers, behaviours, and implications.

5. **Pattern Finding**

A process to make sense of all information collected during the research by identifying themes, tensions, patterns, and connections between data points. This level of clarity and visibility through identifying relationships lead to insightful discovery (IDEO, n.d.).

6. **Stakeholder Matrix**

A tool used to understand the particular needs and interests of each stakeholder – workers, employers, staffing agencies, government – to consider advantages and disadvantages, and aggregate multiple viewpoints in order to identify systemic objectives and identify possible conflicts and strategies (IFQ, 2010).
7. *Textual analysis*

This provided an understanding of how each stakeholder made sense of their world, and how the staffing companies and employment industry were related, through textual analysis of books, articles, research studies, and other methods ("Design Research Techniques," n.d.). It also provided a variety of interpretations and allowed for a better understanding of culture, and an awareness of my personal biases.
Consumption Evolution

Traditional consumer consumption patterns are highly driven by creating demand for items, which consumers can purchase and own (Forbes, 2012). Current thinking is challenging that notion (“Nonfiction Book Review,” n.d.). Harvard marketing professor Theodore Levitt famously stated, “People do not want to buy a quarter-inch drill. They want a quarter-inch hole!” (Levitt, 1986). It is not the music album, book, or asset itself that consumers desire; true value lies in the job served by the asset to deliver the song, story, or experience (Christensen, Cook, & Hall, 2006). Asset ownership creates inflexibility (“Collaborative consumption – threatening markets and marketers?,” 2013), and in a culture where ‘change is the new constant’, access at the right time and for the required duration would simply suffice in many cases (McGrath, 2012).

Three main factors are driving the shift towards the collaborative economy; societal factors (a sustainability mindset and lifestyle trends), economic factors (increasing population, strained resources, and economic disparity), and technology factors (social networks and mobile technology) (“The Three Reasons the Collaborative Economy is Happening Now | Web Strategy by Jeremiah Owyang | Digital Business,” 2014). Many players are involved in this ecosystem – people (providers and partakers), technology providers (technology platforms, and investors), established partners (Government and incumbent corporations), and influencers (press and media, and thought leaders) (“Ecosystem Guide,” 2014). Unlike the traditional buy and own model, the collaborative consumption economy provides the consumer access to assets, and proves economic and environmental
benefits in return (Rogers, 2010). This removes personal burdens of ownership as maintenance and optimization outweigh a product’s value, and the user is responsible for finding a good home for the product through recycling or resale (“Changing Models of Ownership,” 2011). This enables consumers access to goods and services that they normally could not afford as a permanent fee for a much lower cost (“The collaborative economy and you,” n.d.), readjusted as variable rather than fixed cost (“The economics of peer-to-peer travel marketplaces and collaborative consumption,” n.d.).

It equally enables consumers that are existing owners of assets to relieve their burden of ownership by sharing their assets in exchange for monetary gains (Zopa, 2015). Users already share homes, cars, parking spaces, tools, bikes, have their dogs walked, or are driven around (“The rise of the sharing economy,” 2013). This is not only an economical shift but a social movement centered on empowering people to share and cooperate (“Debating the Sharing Economy | On the Commons,” 2014), thus creating social capital by strengthening relationships and the resilience of communities (“Encounters #5: The sharing economy - An economy of right relationship? | Maryknoll Office for Global Concerns,” n.d.). As a result, collaborative consumption is helping shift traditional consumption patterns and enabling communities with limited economic activity to collaborate with other communities to achieve important economic, environmental, and social benefits (Perren & Grauerholz, 2015).
Psychology of Consumption

Our ability to purchase has accelerated rapidly; it is instantaneous. A few decades ago, a purchase required a trip to the physical store with several interceptions at which the shoppers could contemplate the need of the purchase. Companies like Amazon – an online retailer – have removed those interception opportunities and any other friction between shoppers and the point-of-sale. With tools like 1-click ordering, it literally takes minutes or even seconds to make a purchase online (Sanburn, 2015). This wave of out of control consumption has given birth to new industries and professions such as professional organizers, junk-removal companies, and the multi-billion dollar self-storage industry (Sanburn, 2015).

There are many economic and cultural factors that influence a purchase, and drivers that inhibit parting with that purchase. A study revealed that people who were socially rejected collected more stuff after feeling snubbed, and were inclined to select utilitarian items (Sanburn, 2015). The theory explains that when humans are deprived of support from their fellow humans, they become selfish and their survival instincts take over. In addition, the anxiety leads to taking and storing because feeling anxious is associated with uncertainty, as historically this implied resource scarcity (Sanburn, 2015).

For a variety of reasons, about one in six Americans suffers from anxiety disorder. To alleviate this anxiety, many people shop – shopping releases dopamine in the brain allowing us to temporarily feel euphoria (Sanburn, 2015). An act of reliving anxiety turns into consumption, and overconsumption, which leads to more anxiety, creating a vicious reoccurring loop.
Materialistic drive and satisfaction with life are negatively related (Meek & Berkel, 2007, p. 13). In other words, chasing possessions tends to make people less happy.

**Consumption of Cars – An Industry Comparison**

The automotive economy has evolved significantly since the first affordable Model T (History.com, 2010). Over time, sector innovations have spanned across the fields of engineering, technology, and also business, as numerous entrepreneurs entered the market to fuel the ever-growing demand for vehicles (Davis, 2012), and strive for innovation on every level – safety, speed, functionality, efficiency, environmental sustainability, ethical consumption, autonomy, and more. The automotive industry is one of the world’s largest economic sectors, by revenue (Statista, 2014) and has had both the capacity and motivation for innovation.

The first affordable car that consumers could own was in 1908. Over the following thirty years, the only option consumers had was ownership. It was not until the 1940’s when automobile leasing was made available, followed by short-term rental companies, such as Avis, Hertz, and National Car Rental, which offered cars for fixed time periods during the 1950’s (Crutcher, 1986). Fifty years thereafter, consumer options were to either own their vehicle, lease for long-term, or rent for short-term.

Ownership and leasing proved challenging as they carried expenses like insurance, parking, fuel, and maintenance. This was not an economical solution, especially for many casual drivers and urban residents (Ray, 2014). The marketplace shifted the approach from individual ownership toward an economy of sharing and having access (Lampinen, 2015) when the first Zipcar debuted in
Boston (Patrick, 2013), which allowed users to rent cars hourly with all expenses included. Consumers now have on-demand access to vehicles, hourly or by the minute, and without the associated hassles of insurance, parking, fuel, and maintenance (Trikha, 2014). Followed by this business-to-consumer model, the peer-to-peer car-sharing model proved equally successful (Hampshire & Gaites, 2011, Future of Car Sharing, n.d.), and continues to grow globally (Car Next Door, 2014). Compared to the traditional ownership model, the outlook is shifting from buying and leasing, to sharing and access (Sacks, 2011). Leaders in the peer-to-peer car sharing industry include RelayRides (Relay Rides, n.d.) and GetAround (Get Around, n.d.), both are peer-to-peer car sharing marketplaces.
There are many ways to engage in a relationship with a product based on cultural, financial, and social values. It is important to understand these core consumption principles to uncover the drivers and incentives of consumers.

<table>
<thead>
<tr>
<th>Consumption Models (automotive)</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Own</strong> (outright)</td>
<td>Users want to own and they can afford it now.</td>
</tr>
<tr>
<td><strong>Own</strong> (financed)</td>
<td>Users want to own and they can afford over time.</td>
</tr>
<tr>
<td><strong>Lease to Own</strong></td>
<td>Users start by renting, with an intention to afford at a later date.</td>
</tr>
<tr>
<td><strong>Lease</strong> (long term)</td>
<td>Users want to rent for long-term so they can have an illusion of ownership.</td>
</tr>
<tr>
<td><strong>Rent</strong> (short term)</td>
<td>Users want to rent for short-term; usually for an occasion.</td>
</tr>
<tr>
<td><strong>Buy and Share</strong></td>
<td>Users want to own but they cannot afford it on their own so they share with others.</td>
</tr>
<tr>
<td><strong>Share</strong> (someone else’s)</td>
<td>Users do not want to own, they’ll share with someone else who owns it.</td>
</tr>
<tr>
<td><strong>Let’s Buy and Share</strong></td>
<td>Users will <strong>co-own</strong> and co-share.</td>
</tr>
<tr>
<td><strong>Borrow</strong></td>
<td>Users can borrow from their family or friends.</td>
</tr>
<tr>
<td><strong>Just Use</strong></td>
<td>Users do not want to own; they just want to <strong>use</strong> it when they want, for only as long as they want.</td>
</tr>
<tr>
<td><strong>As-A-Service (B2C)</strong></td>
<td>User has no ownership, access or responsibility. A company owns the product and the customers are served in the form of a service.</td>
</tr>
<tr>
<td><strong>As-A-Service (P2P)</strong></td>
<td>User has no ownership, access or responsibility. Another person (not a business entity) owns the product and the customers are served in the form of a service. This usually involves platform or marketplace created by a third party.</td>
</tr>
</tbody>
</table>

*Table 1 – Consumption Models*
**Corporate Consumption**

While there are many peer-to-peer companies in the collaborative economy for personal services (Owyang, 2014), an equal and unexploited opportunity lies in understanding consumption for companies themselves. The agricultural sector companies have been sharing production equipment for decades to save costs, while other sectors are now adopting sharing economy models as they realize that access trumps possession (Tjoa, 2015). For example, companies are co-working where they share workspaces for fractional costs compared to independently used offices (Buczynski, 2013), or gaining access to the tools of their business such as with Getable – on-demand equipment for construction professionals (Getable, n.d.).

Paying for access to equipment is more cost effective than equipment ownership. Sharing assets mutually allows companies to lower their operating costs, use assets efficiently and sustainably, and fosters social cohesion (Glind, 2014). In particular sectors, sharing physical assets is beneficial where companies are located closer together, whereas technology enables sharing of non-physical assets more broadly. For example, Floow2 – the first established B2B sharing marketplace for business equipment and services (FLOOW2, n.d.).

For most organizations, the total cost of a workforce averages nearly seventy percent of operating expenses, including Fortune 500 companies (Human Capital Management Institute, n.d.). Although total workforce costs may vary, it still remains the single largest operating expense for most companies (Human Capital Management Institute, n.d.). Due to fluid and rapidly changing conditions, workforce costs are extremely difficult to recognize and control, and without appropriate tools,
it is even harder to manage let alone optimize the workforce. Most companies struggle to identify their workforce cost and its composition – contingent, temporary, independent contracts. This is partly due to the adoption of project-based management in IT – forms of temporary organizing deliberately created to bring together specialists to work as a team toward a specific task that is limited in time, and disbanded upon its completion (Cattani, 2011) – allowing companies to cope with dynamic environments wherein technology shifts are rapid and often unpredictably, without any expectation of continued employment or subsequent cooperation after the successful completion of the project tasks. As part of the project-based management, this includes project-based budgeting – a budget preparation method that involves developing a separate project for each project individually – allowing the project to obtain all the necessary resources (including human resources), to accomplish the project tasks (Office of Public Housing, U.S. Department of Housing and Urban Development, 1983). In addition, the project-based budget funds the contractors to hire independent workers as dedicated full-time resources for the project duration.

**Traditional Workforce Composition**

In comparison to the automotive industry, consumption models in corporate employment are similar. For example, owning vehicles can be compared with hiring permanent employees. The commitment to permanent employees is indefinite with salary, and the employer is responsible for the employee’s health benefits, professional development, pension and employment insurance contributions, vacation and sick days.
In addition, leasing vehicles can be compared to hiring independent contractors. The contractual commitment to independent contractors identifies an end-date, and typically includes hourly or per diem compensation. The employer is not responsible for health benefits, pension and employment insurance contributions, and vacation or sick days. The leased vehicles provide leasers a sense of ownership over the vehicle for the leased duration. Similarly, as dedicated resources, independent contractors are also treated with an employer-employee relationship throughout the contract duration.

Furthermore, short-term rental vehicles can be compared to hiring temporary staff occasionally. For example, an employer needs a receptionist for one day because their existing receptionist was unavailable. The commitment to temporary staff is usually by the day, with daily compensation, and the hiring employer assume no other responsibilities.

**Changing workforce**

Recently, business-to-business models have enabled companies to access workers on-demand for business employment solutions (Owyang, 2014, Stillman, 2011). In other words, businesses can hire talented and skilled professionals on-demand, without the traditional commitment models or employer responsibilities. A few examples include, oDesk – a global online platform connecting businesses and independent professionals to collaborate remotely (oDesk, n.d.), and Freelancer – the world’s largest online outsourcing marketplace to hire freelancers (Freelancer, n.d., Crowd Companies, 2014). oDesk is an industry leader in global online work platform, connecting businesses and independent professionals to work together
remotely (ODesk, n.d.). A study reveals that the vast majority of the work completed through oDesk is Blog/Article writing, and Web Programming (Ipeirotis & Horton, 2012).

Peer-to-peer online marketplaces are also available, for businesses and people to connect and offer personal services, related to household chores, errands, and everyday tasks. A few examples include, TaskRabbit – an online and mobile marketplace that allows users to outsource household errands and tasks to others within their neighborhood (TaskRabbit, n.d.), and My Task Angel - an online marketplace where people connect to complete everyday tasks in local communities (My Task Angel, n.d.).

As businesses begin to have access to such professional resources on-demand around the globe, it minimizes inefficiency, reduces ownership and employer responsibilities, and activates idle resources within other communities (Owyang, 2014).
Stakeholder Matrix

A matrix was developed of the employment industry ecosystem through a process that identified the stakeholders and analyzed their particular needs and interests, and also highlighted key players and influencers into four clusters – Worker, Employer, Employment Agency, and Government. Each cluster contains multiple players and while some are more influential than others, everyone has a role within the lifecycle. The systems, or parts of systems (i.e. projects), are also players, with needs that are equally important, as they drive systemic behavior and manifest implications.

Temporary Worker – Independent contractors and the registered Incorporation under which they operate.

Employer – Company, Hiring Manager, and the Project Agency – Head Agency, Recruiting Agency, Account Manager, and Recruiter Agent

Government – Canada Revenue Agency, and other

The matrix is populated with information gathered from various research methods and auto ethnography.
<table>
<thead>
<tr>
<th>Needs</th>
<th>Advantages</th>
<th>Disadvantages</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Temporary Worker</strong></td>
<td>Income stability Growth Health and benefits Job satisfaction Flexibility Growth/experience Professional development</td>
<td>Top Pay $$$ Paid Hourly Tax benefits (incorporated) Paid overtime Clerks Commit (forty hours for six months)</td>
<td>No benefits No vacation Pay corporate taxes Constantly job hunting Possible down time Growth ceiling Regulated (two year contracts) No sense of belonging</td>
</tr>
<tr>
<td><strong>Employer</strong></td>
<td>Streamlined process Experienced workers Dynamic availability Efficiency Project dedicated resources</td>
<td>Dispensable No long-term commitment required Taxable as business transaction Don’t pay for benefits Don’t pay for vacation/stat. holidays Don’t provide CPP Don’t provide EI</td>
<td>Paying premiums (consultants, agencies, and head agencies) Pay overtime Committed (at least six months) Exhausting hiring process (RFP’s, interviews) Committed to the resource hired Manage resource Regulations (maximum contracts – two years) Provide resources (real estate, tech)</td>
</tr>
<tr>
<td><strong>Agency</strong></td>
<td>Match Supply Match Demand</td>
<td>Great Commission Based on hourly rate One-time placement Predictable income No risk No responsibility No accountability</td>
<td>Intense competition Managed by Head Agencies RFP submission/bid process Overhead costs Contractors not exclusive Requires large cash flow</td>
</tr>
<tr>
<td><strong>Government</strong></td>
<td>CPP Contributions EI Contributions Accurate Tax contribution Health and wellbeing Professional development</td>
<td>Employment Earnings</td>
<td>No one pays CPP No one pays EI No benefits No professional Development No work/life balance</td>
</tr>
</tbody>
</table>

*Table 2 – Stakeholder Matrix*
Independent Contractor

There is no significant difference in the needs, and motivations between traditional employees and independent contractors (Vaiman, Lemmergaard, & Azevedo, 1995, Kosir, 2011), as both groups want career growth, job satisfaction, income stability, health and benefits, professional development, and independence (Monster, n.d.). The Independent Contractors earn higher wages – in comparison to permanent employees – as they are paid hourly, and also receive over-time pay (Xero, n.d.). Most Independent Contractors are incorporated as a business and file corporate taxes to receive a significant tax relief (Franco, n.d.), although they do not receive any benefits. For example, pension contribution, employment insurance, health benefits, vacation, sick days, or statutory holidays (Reynolds, 2012). The nature of going from company to company every few months or years, requires constant job-hunting, increases risk of down-time between contracts, and often leaves them feeling like outsiders at new companies (Nvoi, n.d.). They reach growth ceilings fairly quickly in their career. As a group, they control the supply chain, filled with their talent, experience, knowledge, and qualifications.

Employer

The employers need efficient streamlined processes (O'Neill, 2014) to hire experienced available employees to work on project-based contracts (Mayhew, n.d.). Contractual engagements enable short-term commitments for flexibility, and classify as business transactions, rather than an employer-employee relationship (Canada Revenue Agency, n.d.). Therefore, the employers are not required to make pension contributions or provide employment insurance, health benefits, vacation, or professional development (Duggan, 2014). However, employers offer premium
hourly rates for short-term commitments, with paid overtime hours, and high agency commission (Heigl, 2014). The employers also provide office space, furniture, technology, and other supplies. As part of the demand chain, employers create contractual opportunities for independent contractors, maintain accountability, and fund the engagement.

**Staffing Agency**

The recruiting agencies simply match the supply and demand, and without either one, they would cease to exist. Servicing the employers is their primary function (Sriram, 2015). A one-time placement effort results in lucrative commission on every hour worked of the contractual engagement, including overtime (The Staffing Edge, n.d., Contingent Workforce Solution, 2011). Commission income is very predictable as per the committed contract between employer-worker, and the agency does not maintain any accountability, or responsibility of the quality of work or personal behavior of the independent contractor. However, the competition is fierce, the business requires large cash flow for overhead costs, and agencies are sometimes managed by master vendors. Financial transactions between employer and worker are facilitated by the agency (and master vendor) throughout the contractual engagement (Staffing Industry Analysts, 2014).

**Government**

In this situation, the primary goal of government is to maintain the health and wellbeing of citizens, followed by employment, pension and employment insurance contributions, and professional development (Government of Canada - Labour Program, 2006). In this scenario, the government is at a disadvantage
because the employer-employee relationship is non-existent, and as a result, there is a gap in pension and employment insurance contributions, and the workers without health and other benefits (McKechnie, 2014).
**External Drivers of Change, behavioral**

Understanding the cultural shifts that are larger than any one particular industry provides context for a holistic perspective. The data collected during research, coupled with pattern finding to identify signals and drivers of change, which are external to the industry helped to clarify what is causing these cultural shifts on a deeper level. It can be debated whether consumer behavior drives the marketplace, or vice versa, or both, but in this case it is irrelevant because one would not exist without the other. These are the key changes:
1. Bite Size

At first, the traditional consumption models allowed only for full purchase of goods and services and then later their consumption in portions over time. While this allowed consumption of desired portions, the unwanted portions that remain as excess were idle, and become inconsumable over time. For example, cars are in motion for sixty one minutes in a day and spend the other ninety five percent parked (Infinitum Store, 2014), or a digital music album that has many songs but only a few are heard from each album (Till, 2010), or the fifty percent of U.S. households who own an electric drill machine only use it for thirteen minutes in its entire lifetime (Botsman & Rogers, 2010). In an economy where consumers strive for efficiency, these consumption methods are no longer tolerated causing shifts in user behavior and marketplace (Botsman & Rogers, 2010). The users gather only the portions that need to be consumed rather than the full purchase that left excess. A few examples include Zipcar, a car rental company billable by the hour (Zipcar, n.d.), and Apple iTunes, a digital audio download service that sells individual songs.
for 69¢-1.29¢ each (Apple iTunes, n.d.). These models enable desired portion consumption and charge only for portions consumed, or for the duration of consumption. One example is Car2Go, a car rental company billable by the minute – 41¢ a minute includes parking, insurance, fuel, maintenance, GPS navigation, and roadside assistance (Car2Go, n.d.). Through these consumption models, users are empowered to consume efficiently, ethically, and economically.
2. **Less Steps**

Inefficiency and increased user-effort were tolerated when options were limited. As competition increased, users demanded better experience and were less forgiving. For example, traditionally, booking economic hotel accommodations online required visiting multiple hotel websites to check rates individually. Purchasing department store items required physical effort involving actual steps. With increased competition users demand minimal effort, process efficiency, and encourage companies that strive towards those goals (Christensen, n.d.). Examples include Expedia – one-stop-shop online for hotel reservations at bulk-rates (Expedia, n.d.) or Amazon – the online retail company that offers home delivery (Amazon, n.d.). In an economy that favors speed and efficiency, users are attracted to options that require less effort and time to reach the end goal. These companies enable users to purchase items or complete sales with minimal effort.
3. I Want It NOW

Today’s users demand instant gratification and have low tolerance for waiting. Waiting for music, books, or news is not acceptable, as users want to download songs, books, or newspapers instantaneously. Same day delivery is slowly becoming the new norm. A few examples include Apple iTunes, the online music marketplace for users to download music instantaneously (Apple iTunes, n.d.), and Amazon Kindle the online book marketplace for users to download entire books instantaneously (Amazon.com, n.d.). Online marketplaces provide instant gratification with rapid access to almost any kind of content, allowing users to fulfill their needs immediately.
4. **On Demand**

The broadcasters and television channels can no longer determine when viewers watch their shows. Long gone are days when shows would air Thursday nights and if viewers missed it, well they missed it. Viewers are empowered more than ever before and decide what to watch, when, at what pace, and also the preferred electronic viewing device. An example includes Netflix, the provider of on-demand internet streaming media service (Netflix, n.d.). This has shifted the power from content creators to content viewers.
5. **Power Shift**

The balance of power is shifting across many industries, from large corporations and institutions to distributed networks of communities, consumers, and individuals, as they disrupt who consumers trust and how consumers engage with products and companies (Botsman, 2013). This rising consumer empowerment is fueled by the internet and reignited by social media, through a mixture of demand, information, networks, and crowd-based influence (Labrecque, Esche, Mathwick, Novak, & Hofacker, 2013). A few examples include, TripAdvisor, which provides impartial user reviews of travel related content (TripAdvisor, n.d.), Yelp, which publishes crowd-sourced local business reviews (Yelp, n.d.), and Glassdoor that gives reviews by former and current employees about a company and its management (Glassdoor, n.d.). These technology platforms provide transparency and trust, allowing for a greater power shift – empowering passive consumers to be active – transforming them into allied creators, supporters, collaborators, and producers.
6. **Curators/Middlemen**

As economies expand from products to services, more avenues become available to purchase items or experiences. An item can now be purchased directly from manufacturer, distributor, wholesaler, retailer, or with technology through online marketplaces that comprise of them all. The online marketplaces are like curators; they match supply and demand, promote healthy competition, and choreograph an enjoyable experience for everyone. A few examples include, Expedia the online marketplace for all travel needs (Expedia, n.d.), and Amazon, the online marketplace for retail goods (Amazon.com, n.d.). These marketplaces are highly effective, exposing the users to many possibilities for price, convenience, and experience.
7. **Data Match**

The idea of privacy has changed drastically over the decades as users comfortably share data allowing its analytics to influence some of their most interpersonal searches, choices, and decisions (Kelly, 2013). Users willingly provide or allow personal data extraction (Harris, 2011) to companies in the promise of better search results, improved choices and therefore increase chances of making the right decision (Webb, 2014). A few examples include OkCupid and Match.com—the online dating websites (OkCupid, n.d., Match.com, n.d.). The data analytics enable users to make better decisions about their interpersonal lives.

8. **Long-term Relationships**

Traditional transactions consist of customers making a payment in exchange for product. Today, consumers do not just want to purchase products anymore and rather seek a meaningful ongoing relationship (O’Hara, 2012). As a result, there is an increase in companies with business models based on subscriptions (Claro Partners, n.d.), as part of a larger shift from the product economy to a subscription economy (Bulygo, n.d.). A model pioneered by magazines and newspapers ("Subscription business model," n.d.), is now considered a stand-alone economy with a perfect business model because it provides the best value to both the customer and the company (Burlingham, 2014). For some companies, their entire business model relies on a subscription-based model. A few examples include Netflix, Zipcar, Spotify, and all Software-As-A-Service (Saas) companies (Lev-Ram, 2014).

There are many types of subscription-based models but only a few are underscored here. Firstly, the increased subscriptions for standard, routine,
everyday items that are consumed regularly, such as razor blades or diapers. Companies like Amazon allow users to subscribe to eligible items that are home delivered at their chosen intervals (Amazon.com, n.d.). Secondly, the subscription models for food, drinks, beauty supplies, craft kits, and other items to afford users with a sense of adventure every month (BuzzFeed, 2014). Thirdly, subscription models that send clothes and accessories, which users wear until desired, retain preferred items for a cost, and return the rest when ready for next round (Letote, n.d.). These subscription models, along with many others, allow users to experiment without penalty or consequence, no purchase obligation, and enable them to live the lifestyle they could not otherwise afford.

9. I Have–You Need

Increasing living expenses, resource scarcity, and the cost of ownership have made consumers conscious about owning things that are no longer needed, and giving those things a second life through resale, trade, or renting. The online marketplace has created supply and demand of products that were previously idle to extend their productive life, and also include monetary gains for the seller or lender. As part of the sharing lifestyle, sellers and lenders are also often found on the other side of the transaction (Huckletree, n.d.), for items they want to buy or rent. A few examples include Kijiji, the centralized network of online local communities for classified advertisements (Kijiji, n.d.), and GetAround, the online peer-to-peer car sharing service (GetAround, n.d.).
Employment Lifecycle Analysis

Alongside the gathered information and in combination with other research methods, data points were connected to identify themes, tensions, patterns, and relationships. They were then clustered and systematically placed sequentially to form a complete lifecycle analysis. This step-by-step analysis identified challenges and gaps of individual clusters, and the overall system, leading to key insights.

Connection Stage – Candidates, recruiters and employers connect.

Selection Stage – Candidates are shortlisted, interviewed and selected.

Engagement Stage – Independent Contractor provides services for the employer.

Exit Stage – Contract completion and termination.

These patterns emerged:

**CONNECTION STAGE**

Palliative Resumes

The first resume was created in year 1482 (Swallow, 2011), and in 1930's resumes became formalities. Through the digital age, the Internet, and web 2.0, the resume has been a less than optimal tool to illustrate backstory. The traditional resume is standard, generic, and does not express any personality or character (Gauthier, n.d.). Staffing recruiters spend as little as six seconds to scan a candidate’s resume (The Ladders, 2012). Employers and staffing recruiters may explore alternative social media platforms in search of a candidate’s backstory but the resume remains fundamental for the application processes. It is estimated that only
twenty three percent of employers use Social Media to search for professional talent (Techvibes, 2015).

isolated systems

The platforms and systems that contain general employment records about independent contractors are extremely isolated from one another. For independent contractors, the frequency of change in employment status means manually updating dozens of systems every time. For example, job boards, recruiting agencies, social networks, and employers’ portals. An independent contractor’s employment status can change as often as every six months.

no centralized online presence

As professionals, the independent contractors (and employees in general) have no centralized online presence. The problem is amplified for independent contractors due to their high frequency of job searches in comparison to permanent employees. There are silo portals available online to create and maintain professional identities but they are isolated and disconnected from one another, so
the information is scattered and inconsistent. This proves equally challenging for the creators and the recipients.

**No Brand**

The ineffective traditional resume, the isolated systems, and the decentralized online presence all directly impact a professional's identity brand. Independent contractors have little control of how they are represented in the online world. The existing platforms are generic, restricting, scattered, inconsistent, and minimally functional. Furthermore, professional and personal identities are not isolated; these two areas of life are melding into one, in part because of social media (Queens University of Charlotte Online, n.d.).

**The Focus Problem**

Landing a job interview may depend on something completely arbitrary if you are a woman – how attractive the hiring manager finds you (Engel, 2014); although the same is not true for men. Studies have shown that overall, attractive women get significantly more callbacks than women who are found to be less attractive (Nisen, 2013).

“Initially, men were only clicking on a small subset of very attractive women. The hottest women got flooded with messages and left the site out of frustration. In turn, men did not get responses, felt unenthused about the efficacy of the service, and either left OkCupid with their tail between their legs or sent a barrage of messages to the second tier of hottest women. The cycle would then repeat itself.” (Dahl, 2015).
The employment industry suffers from the same problem as studies show that attractive women receive exponentially more interview requests (Rudder, 2014).

Figure 9 – Competing For Attention

**Competing For Attention**

In a world with overwhelming amounts of data, information that makes sense of that data proves valuable. The data about employment records of independent contractors is available on the internet, but scattered over several platforms in different formats. With increased competition where many candidates are suitable for the same position, this becomes a competition for attention. Out of all the equally qualified candidates, the first one to get the attention of a recruiter would most likely be selected to proceed with the hiring process.

**Candidate Search**

Agencies play this as a game of numbers – more candidate profiles and resumes in their database, equals more applications submissions, therefore
increasing their chances for success in filling the job. The primary strategy for success is through quantity, not quality (Antes, 2014).

The search process for candidates is fundamentally based on key words listed in their resumes and profiles. The recruiters manually search keywords throughout different portals – internal database, job boards, and social networks – to find potential candidates. This search results in highlighting resumes with search engine optimization techniques, not necessarily the best candidate.

No Loyalty to Recruiting Agency

The independent contractors have no exclusivity to recruiting agencies. They often apply to many jobs, through multiple agencies simultaneously. Their only restriction is not being able to apply for the same position through two different agencies – multiple submissions for one position from the same candidate are automatically disqualified by employers, and are seen as a conflict of interest.

Figure 10 – The Flood

The flood
The employers release job posting through job boards, or through master vendors, allowing each recruiting agency to submit three potential candidates to the employer. The recruiters go through their internal and external database to contact potential candidates through various communication methods such as phone calls and emails. As a result, recruiters from multiple agencies contact candidates for the same position. Occasionally, multiple recruiters from the same agency contact candidates for the same position.

*Figure 11 – Five Filters*

**Five Filters**

To successfully win the contract (get the job), the candidates must pass through several individual filters – themselves, agency recruiter, agency account manager, master vendor (if applicable), and employer.

**Passive Employers**

The recruitment infrastructure is setup for employers to be completely passive limiting potential candidates to only those that are aware and have submitted an application. They broadcast job postings on job boards and passively wait for candidates that apply and select one from within that group.
Postings and Submissions

On average two hundred and fifty resumes are received for each corporate job opening and the first resume is received within two hundred seconds after the position is posted. Out of every one thousand people who view an online job posting, one hundred people apply, four to six are selected for interviews, one to three are invited for final interview, one is offered the job, and eighty percent of those who get an offer accept it (Doyle, n.d.).

On the other hand, candidates spend on average of seventy-six seconds reading and assessing a job description that they apply for. Thus, resulting in applying to many jobs for which they are not even qualified (Sullivan, 2013).

SELECTION STAGE

Interviewer's Prejudice

An interviewer's age, gender, and ethnicity dramatically impact their assessment of candidates (Parsons, 2014). The interviewers often make snap but inaccurate judgments about candidates based on their personal biases (Foss, n.d.), or perceive stereotypes that eliminate candidates for non-business reasons. Sometimes this is intentional, and at other times it is subconscious, as they may not be aware of their own actions (Sullivan, 2012).

Interviewee's Bias

The principle assumption during interviews is that candidates are acting normally and being honest. This is highly unlikely as most candidates are terribly nervous before, during, and after the interview. The interviewees frequently provide
answers they believe the interviewer wants to hear, rather than the most honest answer, and frequently lie or omit key facts (Sullivan, 2012).

**Due Diligence/Employment Reference Checks**

The process of an employee's background check is entirely driven by the candidates themselves and mostly falsified, biased, and have no credibility. A validity meta-analysis study conducted by Aamodt & Williams in 2005 found that the corrected validity coefficient for reference recommendations and actual job performance was a staggeringly low .29. Nevertheless, according to recent survey by SHRM ninety six percent of organizations rely on reference checks as a screening and selection tool (Sullivan, 2010, Sullivan, 2010).

Prior to starting new contracts, independent contractors have to provide a Criminal Background check, and education verification, which is validated by agency.

**Job Criteria vs. Evaluation Process**

A typical job description criterion includes some level of experience, skills, education, cultural fit, compensation, and communication skills. However, the evaluation criteria of candidates are heavily reliant on an entirely different underlying scale – personal presentation, appearance, age, gender, race, ethnicity, and marital status. The evaluation is based on this underlying scale is not always an intentional assessment by the interviewer.
**ENGAGEMENT STAGE**

**No Loyalty to Employers**

In general, people are more loyal to their favorite soft drink brand than they are to their employers (Siew, 2010). While millennials lack loyalty toward their employers (Okoye, 2013), this also holds true for independent contractors, as they have no exclusivity or loyalty to their employers. When searching for contractual assignments, independent contractors apply for jobs to as many employers as possible simultaneously, including all the competitors.

**Employer’s Commitment**

The employers are contractually committed to providing independent contractor’s with full-time hours for a given number of months, and therefore absorb the risk of fulfilling this commitment throughout the contract lifecycle. In addition, the employers are also responsible for providing scope of work to independent contractor.

The employers manage an independent contractor as they would a permanent employee, including workload, priorities, timesheet approval, reporting structure, vacation, and sick days. Also, the employers host independent contractors similar to permanent employees, by providing office space, furniture, supplies, technology and anything else that is required to complete the required tasks.

**Project Needs**

The most questions raised around projects are variations of the same issues – how much will this cost, and how long will it take (Madden, 2014). An average project’s cost is likely to overrun by twenty-seven percent, while one in six may overrun by two hundred percent (Flyvbjerg & Budzier, 2011). Given the nature of
projects, predicting the human resources needs is sometimes a wild guess, and continuously evolves as the work effort is based on several dependencies. The human resource needs inevitably come in peaks and valleys – some days and weeks are stable with just enough work to fill time, while many others are slow resulting in lots of free time, or so busy they require extra time. This is common with project-based management, as the projects demand professionals with secured commitment and specialized skills (Cappelli, 1999).

![Figure 12 – Project’s Needs](image)

**Independent Contractors’ Needs**

An independent contractor requires financial stability to maintain livelihood and peace of mind, and therefore needs a commitment of full-time hours from an employer. The nature of contracts implies an end-date forcing the independent contractor to maintain consistency, plan ahead, and align the next contract to minimize down-time between contracts.

**Fixed Cost (Downtime and overtime)**
An average commitment to independent contractors comes as a fixed cost for projects, allowing employers to precisely budget contract costs. For example, hiring an independent contractor would be calculated using the hourly rate, plus the agency commission, and multiplied by full-time hours of the number of weeks or months. An employer is contractually obligated to compensate for the full-time hours throughout the engagement, and responsible for ensuring the full workload to exercise maximum capacity.

Regardless of the workload, cost for employers remains fixed, and overtime hours are paid (same as an hourly rate) in addition to fixed cost. The agency collects commission on every hour, including overtime hours.

*Promoting Inefficiency*

An employer’s obligation to compensate independent contractors for full-time hours and the dynamic needs of projects are often unbalanced. Thus, during slow project phases, the independent contractors are not impacted negatively by low workload because employers are committed to the full-time hours threshold, and during busy project phases employers are obligated to compensate for any additional overtime hours incurred. In both scenarios, independent contractors benefit. Indirectly, and maybe even unintentionally, this may promote independent contractors to not balance their workload throughout, resulting in peak workloads more frequently, leading to overtime hours.

In other words, independent contractors are not encouraged or self-motivated to minimize the number of hours worked. In fact the opposite may be true – they are incentivized to create more work because logic dictates that
justifying a larger workload would lead to more hours worked which equals higher pay.

The agency is equally motivated to encourage this behavior as their commission is based on the hourly rate, including overtime hours.

![Figure 13 – Small and Medium Enterprise (SME) Needs](image)

**Small and Medium Enterprise (SME) Needs**

Canada’s Small and Medium Enterprise (SME’s) account for more than half Canada’s Gross Domestic Product (Government of Canada - Industry Canada, 2013), almost ninety percent of the private-sector labor force (Government of Canada - Industry Canada, 2013), and generated over three quarters of the new jobs created in the past decade (Government of Canada - Industry Canada, 2013). Although they are slow to adopt new technologies (Techvibes, 2015), SME’s have small projects with similar needs for independent contractors and their expertise. However, their project needs are lesser so they require the independent contractors for less time and for shorter-terms. For SME’s, full-time hours are rarely required, if ever, and therefore SME’s cannot justify or afford hiring independent contracts.
Part-time hiring is not an option for SMEs as independent contractors require commitment of full-time hours for their individual needs. The effort required by independent contractors (and the agency) to receive a job offer, is equal regardless of part-time or full-time hours, and short-term or long-term contracts. However, the benefits versus effort ratio quickly increases when contracts are for full-time hours and long-term. The independent contractors and agencies both prefer full-time and long-term contracts as this guarantees compensation (and commission) for extended periods. The upper-midsize agencies heavily rely on single large clients, and for some this could mean up to fifty per cent of revenue (Bullhorn, 2014).

**EXIT STAGE**

**Maximum Contract Duration**

A typical contract to hire an independent contractor starts with a six-month duration, followed by continued renewals at six-month intervals. (Regulation - prevent corporations from hiring employees labeled as ‘independent contractor’). Once the contract reaches the maximum permitted duration (twenty-four months), the employer and that independent contractor must retain a three month cooling-off period, before reengaging in another contract. One mutual workaround involves exercising the maximum permitted contract duration followed by the independent contractor taking a three month ‘vacation’, before returning to continue the previous engagement with the same employer.

This workaround is common and applied frequently, resulting in fake hiring processes where employers release job postings for which they already have
incumbents (and no intention to consider new candidates), only to formalize the hiring process and appear to be an equal opportunity employer. For incumbents, this is great security, but for everyone else involved in genuinely trying to fill this position, including candidates and other agencies, their efforts are predestined for failure; they just never figure it out.

Some research suggests that direct turnover replacement cost of an employee can reach up to sixty percent of their annual salary, and the total ranging from ninety to two hundred percent (Cascio, 2002).

Some research suggests that direct turnover replacement cost of an employee can reach up to sixty percent of their annual salary, and the total ranging from ninety to two hundred percent (Cascio, 2002).

**Figure 14 – Knowledge Exodus**

**Knowledge Exodus**

One major downside for hiring independent contractors is that when they leave corporate knowledge and project information leaves with them. Some exit earlier largely due to more lucrative contract offers, minimizing the handover and knowledge transfer time (Robert Walters, n.d.). A high employee turnover can prove costly (Novellino, 2013), yet companies rarely make an effort to ensure that the knowledge gained by independent contractors is well documented or shared with
permanent employees, and few good practices are exercised to ensure formal knowledge transfer back to the company (Ross, 2013).

More and more, independent contractors are reasonably tasked with large, significant, and high-profile projects but at some point, given the nature of the contractual engagement, the relationship ends creating a backdoor for valuable knowledge to exit the company. This challenge amplifies for employers as their reliance on independent contractors increases to dozens or hundreds, because in due time critical knowledge leaves with the workers as they exit (Stovel & Bontis, 2002).

**Restart**

Towards the end of an engagement, independent contractors restart the complete lifecycle process, in preparation for the next engagement. This includes updating resume's and profiles, reconnecting with recruiters and agencies, and preparing an exit as the existing engagement concludes. This includes cleaning out the office desk space, and saying goodbye to colleagues.
SYSTEMIC IMPLICATIONS

Individually, the findings may seem small and irrelevant however, when viewed holistically and systemically, patterns and insights emerged generating unique viewpoints, leading to innovation and disruption opportunities.

Outsourcing Commitment

The Canada’s Revenue Agency (CRA) considers the following six factors to determine a worker’s employment status: Control, Tools and equipment, Subcontracting work, financial risk, Responsibility for investment and management, and opportunity for profit (Canada Revenue Agency, n.d.). In United States, Internal Revenue Services (IRS) considers 20 factors (Internal Revenue Service, 2007).

Employers have blurred the lines with worker relationships to create a hybrid worker made of employee, and temporary worker (Harvard Business Review, 2000) – a worker that performs like an employee (employer-employee

Figure 15 – Outsourcing Commitment

Employers have blurred the lines with worker relationships to create a hybrid worker made of employee, and temporary worker (Harvard Business Review, 2000) – a worker that performs like an employee (employer-employee
relationship), for a temporary engagement, who is paid like an independent contractor. The payment structure is a business-to-business transaction, not an employer-employee salary. This shifts many business risks from employers to independent contractors, and provides employers with the benefits of permanent employees using employer-employee relationships, without any long-term commitments, and without contributions to Canada's Pension Plan payments, Employment Insurance payments, vacation, health benefits or other expenses of employees (Facey, 2011). In other words, independent contractors are now responsible for their own pension and insurance contributions, and for developing their own skills and careers (Cappelli, 1999). In some cases, independent contracts have resulted in legal action for being treated unfairly, even with companies within the sharing economy such as Uber, Lyft, and Elance-oDesk (Staffing Industry Analysts, 2015).

As this approach with these hybrid workers continues, the implications become evident. Although this is masked with premium hourly rates, it could lead to unhealthy outcomes for independent contractors in the long term; especially with their personal health, professional growth and development, Canada Pension Plan contributions, and employment insurance.

It also costs the government substantially in uncollected revenues; resources that are needed for vital government programs and services and to maintain a productive workforce and economy (Donahue, Lamare, & Kotler, 2007). Recently, thousands of local IT consultants are facing hefty tax reassessments as the CRA examines the worker-staffing agency relationship, ruling their role as an
employee of the staffing firm, and not an independent contractor (Weyn, 2011, Payment Services Corp, n.d.). In addition, this presents broader substantial societal and economic costs that extend well beyond the workers and employers of an industry; for example, the direct toll from the lack of health insurance coverage. These economic costs are borne by workers, employers, the healthcare system, taxpayers and the public at large (Kelsay, Sturgeon, & Pinkham, 2006). The laws defining independent contracting vary significantly by province, state, and country, and the court rulings are inconsistent, resulting in millions of workers into a grey zone where their rights are unenforceable, their benefits nonexistent, and their career prospects dim (Donahue, Lamare, & Kotler, 2007).

![Image](image_url)

**Figure 16 – No Sense of Belonging**

*No sense of belonging*

Due to the nature of short-term engagements, independent contractors are typically treated as outsiders who are temporary visitors (Facey, 2011). The
company culture is deeply impacted as colleagues have a strong bond, while independent contractors come and go, resulting in a divide, and the way independent contractors are treated (Frauenheim, 2012). For temporary workers, their workplace is compared to a resort, where everything is nice but it is not theirs, while full-time workers go to their work-family, *their* office, *their* desk, and *their* people (Facey, 2011).

On the contrary, independent contractors may also refrain from building relationships with colleagues because of the nature of temporary engagements. Either way, the experience of such isolated environments accumulates over several engagements, leading to a lack of sense of belonging. Although they work with and around colleagues, they never quite fit into a company culture. This directly impacts the quality of work, and overall engagement.

“If you want to be a collaborator, and part of a team... you should consider seeking employment. If you want to be your own person... you should consider being an independent contractor.” (Parrish, 2013).

**Growth Ceiling**

Although paid well for their efforts, the independent contractor faces several other disadvantages. Their professional growth is limited and they reach a glass ceiling very quickly as employers would not hire independent contractors as senior management because company employees hold core management positions.
Independent contractors manage larger and more complex projects however, after certain level of seniority they can only move horizontally within organizations. A study by Workopolis revealed that most workers have to change companies in order to gain seniority (Techvibes, 2015). Regardless, their growth is very limited as long as they remain independent contractors. For some, it is acceptable early on in the profession but it usually becomes a dilemma in the future when they wish to advance in their careers.

**Inefficient**

The connection stage and selection stage are inefficient as the hiring process can take weeks to months to successfully onboard candidates and also requires too many steps. For example, in a candidate-driven market (Staffing Industry Analysts, 2014), average time from vacancy-to-hire is thirty-four days, and average time from vacancy-to-start date is fifty-four days (Virginia, 2014). In some management-consulting firms the average interview process takes 39 days (Fottrell, 2014).
Recruiting top talent is extremely challenging due to the mismatch between available candidates and skills required for jobs (The Globe and Mail, 2012). In 2013, staffing and recruiting companies had a technology fill rate (job orders filled divided by job orders received) of forty one percent, and hit-rate (successful placements divided by number of submissions) of thirty seven percent (Bullhorn, 2014). In 2013, for technology workers, average time-to-fill for contractors was eleven days, and average time-to-fill temporary was fifteen days (Bullhorn, 2014).

*Unaffordable*

Over time, this method proves expensive as employers make full-time long-term commitments, and pay premium rates for independent contractors and commissions to the recruiting agency, and possibly a master vendor.
It also proves expensive for independent contractors over time because they have to take responsibility for their own personal health, professional development, pension contributions, and employment insurance.

**Start-End Relationships**

Once an engagement has concluded, there is no exclusivity between independent contractors, the employers, and the agencies – all communication lines are reopened as independent contractors begin to setup their next contractual engagement (Malone & Laubacher, 1998). In other words, independent contractors can choose to work with the same agency, another agency or both to pursue new contractual opportunities.

Objectively, independent contractors only care for a relationship with recruiters/employers that lead to a successful placement. This holds true for all three parties – they are only interested in others if it leads to successful placement;
otherwise they all continue to work with competitors simultaneously (Facey, 2011). The Independent contractors usually work with many agencies simultaneously, pursuing opportunities with many different employers.

Figure 20 – Start-End Relationships

Similarly, agencies also work with many independent contractors and employers simultaneously. The employers also work with several agencies, or sometimes a master vendor, to find a suitable candidate. Once the match is made, all parties are aligned and committed throughout the engagement, and when the engagement concludes they disperse once again. On occasion, they may work together in the future, although no one group is loyal to another; this creates a start-end relationship, and is a lost opportunity.

**Trial & Error**

An employment lifecycle exercises a trial-by-error method in hopes of connecting employers and independent contractors, which might be considered
positive if each cycle did not take weeks to months. After investing weeks or months to hire an independent contractor, if an employer is unsatisfied with performance they have two options: either they restart the hiring process and invest more time, or compromise in the quality of worker and continue with that resource. The former option is slow and costly upfront, while the latter option may prove slow and costly in the future. Trial by error is a completely viable method but only when accompanied with speed, thus creating better matches quicker, and reducing error.

![Figure 21 – Trial & Error](image)

On the other hand, independent contractors face the same challenge if they are unsatisfied with the company, its culture, or the work. In some cases, the heavily invested time thus far, or an urgency for the resource, justifies compromise and continuation, rather than restarting to find a better match. This certainly impacts the quality of work and experience, for both parties.
Insights/Disruption Opportunities

Contingent workers need a ‘roof’, or else they are not taken care of.

An economist and former Harvard University President Larry Summers once observed, “In the history of the world, no one has ever washed a rented car”, (Schrage, 2013). Although, some disagree with this claim (The Economist, 2011), it suggests employers would not invest in skills and development of independent contractors, which bodes poorly for this new worker class. In addition, there are many struggles of being self-employed, including emotional disconnect, income irregularity, inconsistent workflow, and maintaining balanced day-to-day work structure (Clay, 2015).

Figure 22 – Independent Contractors
It is beneficial for workers to be under an employer’s roof in multiple ways as this provides them shelter financially, emotionally, and professionally (Malone & Laubacher, 1998). However, it does not have to be as limiting and restricting as traditional employer-employee relationships. There is opportunity in creating a hybrid worker (Hoffman, Casnocha, & Yeh, 2014) that enables workers to maintain their freedom as self-employed workers with short-term engagements while providing a sense of belonging, financial stability, professional development and other employee benefits. Just because they have an entrepreneurial mindset does not mean they want to start their own company (Clark, 2013); not all temporary workers embark on this journey voluntarily (Recruitment & Employment Confederation, n.d.). In the long run, this is more beneficial for workers than being self-employed.

**Employers do not need independent contractors, they need the job done**

Almost fifty years ago, Ted Levitt declared, "People don’t want a quarter-inch drill-they want a quarter-inch hole" (Chan, 2009). Based on this mind-set, when employers need a particular job done, they hire independent contractors to do it for them. In other words, they are buying a drill when what they really need is a whole (Christensen, Cook, & Hall, 2005). Employers don’t need independent contractors; they need the job done. Simply understanding the jobs that periodically arise for which they hire independent contractors, a new approach can be applied. The job to be done, not the worker, is the primary element of analysis (Christensen, Cook, & Hall, 2006). Similar to recently adopted models of products-as-a-service, and software-as-a-service (Ma, 2007), the concept of Resource-as-a-Service proves to be a promising pursuit.
**Employers do not need dedicated independent contractors, they need access to skills**

In a sharing economy, consumers are embracing the fact that sometimes it is unnecessary to own resources, and rather important to have access. Convinced car users afford ownership premiums to have a dedicated resource because it is important for them. Alternatively, if access to professional resources is available on-demand, paying ownership premiums is not always necessary.

Just-In-Time is a philosophy manufacturing companies use to continually improve productivity, eliminate inefficiency, and ensure there are no peaks or valleys (Swanson & Lankford, 1998). Similarly, rather than dedicated resources, if employers were assured of just-in-time-access to professional resources, if and when required for contingent needs, they might be willing to give up the old school idea of needing dedicated resources, and embrace principles of the sharing economy as a just-in-time-resource. This would prove mutually beneficial as employers can fill talent gaps for unpredictable business conditions, and workers can maintain freedom and work-life balance (Kelly, 2011).

**Workers and employers, equally, need quicker methods to experiment**

For companies and candidates to gauge longevity and potential of the engagement and relationship, they require more than just one quick meeting, during which they are both on their best behavior (Crompton, 2015). Here lies an opportunity to allow independent contractors and employers to engage in really quick and short engagements for experimentation and find a better match, faster, and increase their chances of success. This would allow for employers and independent contractors to connect at a much faster pace and determine if the
match is right for them. If it is not, they could reinitiate the process just as fast. This method has already proven successful for hiring permanent employees as the try-it-before-you-buy-it strategy (Crompton, 2015). It is similar to a probation period except the commitment is only thirty days or as little as one week, and the key difference is the payment structure of paid contract work; formalizing this as a “temp-to-perm” hiring process. Trial-by error, combined with speed, would also improve feedback throughout the process minimizing anxiety for independent contractors resulting from lack of feedback (Crompton, 2015).

Efficiency is the enemy of unpredictability. Increasing the rate of experimentation decreases cost of failure, and allows companies to be more responsive, nimble and agile. Responsiveness is a shift in culture, and requires a new framework unlike traditional contracts, which lock consumption behavior (First Round Review, n.d.). For example, in a traditional apparel company, a new product would take months to move sequentially through the divisions from design to manufacturing to distribution. The clothing chain Zara turned this model on its head by creating a team with one person from each division so they could go from sketchbooks to shelves in two weeks (First Round Review, n.d.). They also broke a tenet for manufacturing by running their factories at only eighty percent utilization so they could slip projects into the pipeline on a short notice to ultimately sell more. In this case, being less efficient allows them to be more responsive, resulting in higher revenues.

Knowledge exodus needs to be managed.

As companies rely more on independent contractors for specific knowledge and expertise, this contributes to a knowledge-driven economy. As these
independent contractors exit the company at the end of the contract, the knowledge and information gathered leaves with them. This results in a lose-lose situation as the valuable knowledge is no longer accessible by the employer, and irrelevant for the worker as they move on to another project at another organization. In certain cases, the loss for an employer is further amplified because the worker takes the valuable knowledge and goes to work with a direct competitor.

The four major global professional services firms – Deloitte, Price Waterhouse Cooper, Ernst & Young, and KPMG (Wikipedia, n.d.) – have benefited from this challenge because they send their employees as consultants to work on projects with hiring companies. The benefit is realized when the employee completes the project and returns to the home company with the gathered knowledge, adding to the existing knowledge base which was collected and harnessed over the company's lifespan, from different projects at countless companies, throughout several industries. In contrast, when independent contractors exit a company the knowledge leaves with them, and without any preservation efforts, dissipates over time.

Employers do not have to hire all independent contractors as employees, however there is tremendous opportunity to capture and leverage the knowledge of independent contractors. This is mutually beneficial as it proves to be a win-win situation. For independent contractors, this would mean the whole is greater than the sum of its parts. In other words, the collaboration of independent contractors would make them more valuable, than if they stood alone. Employers would also benefit, as their company-knowledge is being managed and preserved, and accessible to them through ongoing engagements.
Human Resource As A Service [HRaaS] and Just-In-Time Human Resources [JiTHR]

**Access Model**

Human Resources as a Service (HRaaS), and Just-in-Time-Human-Resources (JiTHR) are concepts that allows companies to utilize Human Resources, similarly to how they access products, and software as a service. It provides the hiring-company access to a resource so they can take advantage of all the benefits of an resource and still be free from the responsibilities of an employer. The provider-company would
incur all those responsibilities as the employer of that resource, and in turn charge the hiring-company a service fee.

For the worker, they are an employee of the provider-company and are leased to hiring-companies as required. This ensures an employer-employee relationship in fact exists to benefit the resource and warrants coverage related to health benefits, professional development, CPP and EI contributions. This would also provide vast ongoing exposure to different clients and projects, allow for growth within the company of which they are an employee, and also instill a sense of belonging.

For the provider-company, this means having a pool of employees which they can lease to hiring-companies for a service fee. Therefore, their primary challenges include managing logistics for dynamics and forecasting needs to efficiently manage supply and demand.

For the hiring-company, this allows them access to resources as required, without any obligations, commitments, or responsibility for the resource. This also releases them of legal concerns around worker misclassification and other associated risks. They can hire the resource on demand, only if and when required, with the flexibility to release the resource when not required. This would also level-set the playing field for Small and Medium Enterprise’s, as this allows them to afford access to the same quality of resources as large corporations, without the obligations, commitments, and responsibilities that they otherwise could not afford.

This model enables hiring companies access to contingent workers just-in-time and on-demand to address their dynamic resource needs, without holding them liable to any responsibility, obligations, or commitment for that resource. It
also protects the worker and maintains their well-being, and eliminates the risk of worker misclassification for the hiring-companies.

Figure 22 – Collaborative Consumption

**Collaborative Access Model**

Collaborative Access Models further expands on the previous model by suggesting that – similar to the way hiring-companies use just-in-time and on-demand resources from the provider-company – they can share resources amongst one another. Similar to the way they access resources from one particular provider-
company that has a pool of such resources, they could access similar resources from peer companies. For example, the hiring-company is accessing a Project Administrator from the provider-company, they could also access a similar Project Administrator from a peer company – on the assumption that that Project Administrator was available and their employer was onboard. In other words, it is being able to share resources amongst one another so that when a resource is being underutilized by their employer, they can share that employee with other companies for that period and thereby convert the liability into an asset. This enables the primary employer to stay afloat of their duties as an employer, it maintains the morale, security, and loyalty of the employee, and also serves the need of the hiring-company.

This still maintains the primary employer-employee relationships between an employer and the worker, and further enables access to contingent workers for the hiring-companies.

The widespread uncertainty around the definition of an “employee” and its misclassification is a function of complex set of diverse statues and policies set forth by provincial and federal agencies. In some cases, even a business seeking to comply with the policy will find it difficult to understand. The continued growth of contracting in this uncertain legal environment is strong evidence of the usefulness of this practice for employers, and also individuals seeking to establish themselves as self-employed business owners and operators. The goal of public policy should be to remove incentives that are used for illegitimate purposes (United States Department of Labor, n.d.).
The classification of a worker as an employee or an independent contractor has tremendous implications for both the worker and the employer, and also the society at large. The employers gain a market advantage by classifying workers as contractors and avoiding costs associated with employees. In addition, the growing costs and risks associated with an unfit hire, the demand for rapid change, and unpredictability, the employers have an incentive to (deliberately) misclassify permanent employee as contract labor. With an increase in independent workforce, this practice contributes to further tax evasion, payroll fraud, and discriminatory hiring practices; resulting in billions of dollars’ worth of unrealized tax revenue (Kinzer, 2014).

It is widely acknowledged that the economy depends on businesses that innovate new strategies and methods, including new workforce compositions, to enhance their competitiveness in the marketplace, and likely be a contributing source in the economic growth in the coming century (Cohen & Eimicke, 2013).

In addition, leveraging business models from the sharing economy can prove beneficial when it comes to human resources. Human Resources are typically thought of as workers who either work for the company as an employee, or work for the company as a non-employee. While both approaches serve different needs, there is tremendous potential for innovation if the framework is altered to apply business models from the sharing economy in how companies consume human resources. Similar to the way people now share their cars, homes, and other assets for monetary gain, minimizing environmental impact and interconnectedness, companies can create a new framework to share human resources for economic benefits, cultural strength, and collaborative innovation.
A combination of these conditions and new frameworks would resolve employee misclassification challenges, foster long-term relationships, and create a collaborative environment that is mutually beneficial for employers and workers, as well as the economy and society at large.
Conclusion

Over the last few decades, the nature of work and the workplaces have changed significantly due to the rising popularity of the service sector, an increase in non-standard employment relationships, accelerating technology innovations, and greater workforce diversity (Ontario Ministry of Labour, 2015). The changing workforce of non-standard workers is allowing businesses an opportunity to enhance competitiveness and for many workers it is also an opportunity of increased flexibility, but with the risk of precariousness.

Innovations in technology have offered new opportunities for matching jobs with workers – an economy built entirely on building platforms to match jobs with independent on-demand workers. For example, individuals can now have their apartments cleaned by Handy, their groceries bought and delivered by Instacart, their clothes washed by Washio, their shopping done by TaskRabbit, and their restaurant meals delivered by Spoonrocket. The industry leader in the sharing economy is Uber – a mobile application based network for transportation to connect riders and drivers (Uber, n.d.).

The old wisdom that once declared that you are what you own, is transforming through the sharing economy to, you are what you can share and access (Belk, 2013). An equivalent of Apple’s famous trademark slogan, “There’s an app for that”, for the sharing economy is “There’s an Uber for that” (CB Insights, 2015). There are many benefits of the sharing economy, including economic, environmental, and community building. The peer-to-peer marketplace has
successfully proven need for collaborative consumption and that the sharing economy is here to stay (Stern Speakers, n.d).

The next wave of the peer-to-peer market success has also lead to a steady growth of various business-to-business sharing companies, and will continue to increase (Slagen, 2014). Many businesses are already sharing equipment, assets, and other commodities. Though, there are many risks for workers associated with precarious employment including, long-term financial instability, negative impact on personal health and lack of professional development. Simultaneously, this also presents tremendous opportunity in human resource management and workforce composition with the adoption of business models from the sharing economy (The Economist, 2015). The workers can be empowered with flexibility, work-life balance, sense of belonging and long-term sustainability, while the employers benefit from the on-demand economy and the sharing economy, for their human resource needs and their workforce composition.
REFERENCES


87


Kelly. (2011). 10 things you need to know about free agents. Retrieved from www.kellyservices.com%2FUS%2FCareers%2FFree-Agent-eBook%2F&ei=eOv0VKD4A_00sAS00lAY&usg=AFQjCNHp5FWl2UxUlUubHxqujyY4_wsq7IA&sig2=ZJm2U0yLh8ARv9X6ew5c3A&bvm=bv.87269000,d.cWc


217


APPENDIX A – Types of Car Consumption

<table>
<thead>
<tr>
<th>Business Models within the Car Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars</td>
</tr>
<tr>
<td>Cost</td>
</tr>
<tr>
<td>$10,000’s</td>
</tr>
<tr>
<td>$1,000’s</td>
</tr>
<tr>
<td>$100’s</td>
</tr>
<tr>
<td>$10’s</td>
</tr>
<tr>
<td>$10’s/$1’000’s</td>
</tr>
<tr>
<td>Vehicle Cost</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>Fees/Taxes</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>Maintenance</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>Insurance</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>Parking</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>Gas</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>Lic. Plate</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>✓</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>x</td>
</tr>
<tr>
<td>Commitment</td>
</tr>
<tr>
<td>‘Forever’</td>
</tr>
<tr>
<td>Years</td>
</tr>
<tr>
<td>Daily</td>
</tr>
<tr>
<td>Hours/minutes</td>
</tr>
<tr>
<td>Hours/minutes</td>
</tr>
</tbody>
</table>

Table 3 – Business Models Within The Automotive Industry

**Ownership**

Owned vehicles are purchased with cash or financing including fees and taxes, and require license plate registration. Upfront costs are tens of thousands, with ongoing monthly expenses adding hundreds of dollars. Purchasing infers that vehicle henceforth belongs to the owner indefinitely, with responsibility for insurance, regular maintenance, fuel, and parking.

**Leasing**

Leasing, in other words, is renting for extended periods, usually years. Initial down payment cost varies, while monthly leasing fees and ongoing expenses are leasers' responsibility – such as insurance, regular maintenance, fuel, and parking, however, leaser is free from ownership commitment, as leased vehicle are returned.
at term-end. This long-term rental model costs thousands of dollars and gives leasers an illusion of ownership, over leasing term.

**Rent**

Users rent vehicles for short periods, usually for one day, or weekend. No upfront costs are applicable as renters do not pay for vehicle, its registration, or maintenance and therefore only cost is vehicle rental, the daily rate. Renters are responsible for parking, fuel, and insurance for rental duration. This option usually adds up in hundreds of dollars, involves no commitment, and usually exercised for occasion that is out of routine i.e. weekend road trip.

**Access**

Similar to traditional companies that allow short-term rentals, these companies allow rentals for even shorter intervals – as low as one hour, or even one minute – and also absorb all vehicle related costs such as vehicle itself, its maintenance, insurance, parking, and fuel. The user is charged hourly or by the minute, with no minimum commitment. For accessibility, hubs are strategically located in densely populated urban areas and take advantage of mobile technologies for better user experience (Owyang, 2014). Cost per rental is only a few dollars because the access model allows users to rent in short bursts depending on their needs that day, week, or month. Essentially, this minimizes or almost eliminates idle time of vehicle so users are precisely paying only for the time that they are actively using the vehicle, without binding them to unwanted commitments (Tnooz, 2012).

**Sharing**

Peer-to-peer services allow existing owners to rent their vehicle (when not in use) to another person who requires access to a vehicle for a short period (Bardhi
& Eckhardt, 2012). No upfront or ongoing cost is incurred, as users are not responsible for vehicle or its maintenance. Users pay an hourly rate, which includes fuel, and sometimes insurance, while vehicle owner is responsible for all other expenses. Sharing fosters engagement within neighboring communities, costs only tens of dollars, and commitment is hourly. For occasional drivers, provided there is enough supply within their neighborhood, this option proves to be much more economic than ownership. It also provides monetary gains for existing vehicle owners when vehicle is idle.
### APPENDIX B – Evolution of Sectors within the Automotive Industry

#### Evolution of sectors in the Automotive Industry

<table>
<thead>
<tr>
<th></th>
<th>Own (forever)</th>
<th>LEASE (long-term)</th>
<th>RENT (Short-term)</th>
<th>SHARE</th>
<th>ACCESS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONNECT</strong></td>
<td></td>
<td></td>
<td></td>
<td>Hotwire, Expedia, Kayak</td>
<td>Getaround, Relayrides,</td>
</tr>
<tr>
<td><strong>FACILITATE</strong></td>
<td>Dealerships?</td>
<td>Manufacturers Leasing vehicles (i.e. Toyota)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>IN-HOUSE</strong></td>
<td>Manufacture rs (i.e. Toyota)</td>
<td>Rental companies (i.e. Budget)</td>
<td></td>
<td>Rent hourly or by minute (i.e. Zipcar, Car2go)</td>
<td></td>
</tr>
</tbody>
</table>

**Table 4 – Evolution of Sectors in the Automotive Industry**

**In-house**

Companies in this sector own vehicles i.e. manufacturers and auto dealerships, and are responsible for all associated costs and liabilities, until ownership is transferred to buyers at point of sale. Rental companies also own vehicles from time of purchase and remain owners as vehicles are rented to users. Rental companies are responsible for vehicle maintenance and all its liabilities. This business model aims to recoup cost and possibly gain profits through rental agreements with users.

**Connect**

Companies in this sector are an entirely separate entity than vehicle owners – a third party that connects vehicle owner with paying customer (end user) for
commission, and therefore have no responsibility or accountability of vehicle. Leveraging mobile and other technologies allows them to connect supply and demand, in an attempt to create better user experience.

**Facilitate**

Connects two parties and remains engaged through the transaction (may have ownership).
APPENDIX C – Models of Employment and Sectors within the Employment Industry

Table 5 – Models of Employment

<table>
<thead>
<tr>
<th>Human Resources</th>
<th>Permanent</th>
<th>Contract (Independent Contractor)</th>
<th>Temporary Staff</th>
<th>Share</th>
<th>Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$100,000’s</td>
<td>$10,000’s</td>
<td>$100’s</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CPP</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacation</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sick/health</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EI</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td>Forever</td>
<td>Years/Months</td>
<td>Weekly/Daily</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 6 – Evolution of Sectors in the Employment Industry

<table>
<thead>
<tr>
<th>Human Resources</th>
<th>Permanent</th>
<th>Contract (Independent Contractor)</th>
<th>Temporary Staff</th>
<th>Share</th>
<th>Access (Collaborative Consumption)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONNECT</td>
<td>Job Boards, social networks (i.e. Monster, LinkedIn)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FACILITATE</td>
<td>Staffing Agencies (i.e. Procom, Randstad)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IN-HOUSE</td>
<td>Internal HR departments</td>
<td>Temp Agencies (i.e. Adecco)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


*Connect*

Companies that connect the worker and employer for a commission.

*Facilitate*

Companies that bridge the gap for worker and employer and remain a conduit for the duration of the engagement (compensation funnels through them).

*In-house*

Companies who have permanent employees that may be deployed to provide services to other companies.