Episode 7
New Work Arrangements

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Elizabeth Moraff: Welcome to the Work Science Center Podcast, brought to you by the Work Science Center of the Georgia Institute of Technology. I am your host, Elizabeth Moraff. You can find more about the Work Science Center at our website www.WorkScienceCenter.GATech.edu.

Today I have the pleasure of speaking with Dr. Gretchen Spreitzer, a professor of Business Administration at the University of Michigan’s Ross School of Business. Dr. Spreitzer has focused her work on empowering employees and on positive leadership in organizations. She will soon publish a chapter on “new worlds of work” and speak on alternative work arrangements, focusing on how more employees will be shifting away from a traditional 9-5, 40 hours a week job in a specified location.

Good afternoon, Dr. Spreitzer, so thank you so much again for taking time to speak with us today about the changing world of work. I know you've done a great deal of work on the psychology of workplace and creating psychologically healthy workplaces. To start us off, can you tell us a little bit about how you became interested in alternative work arrangements and the new world of work?

Gretchen Spreitzer: Whether it's working with my students who are entering into this new world of work or whether it's family members or thinking about the implications of the work that we do for companies and for our employees, I think it's hard not to be interested. There's just so much going on. You just can't get away from it because there's just so many different variables that are all shifting at the same time.

EM: I was curious particularly about the caution of not using the term “non-standard work,” but instead going for “alternative work arrangements,” can you talk a little bit about how you all settled on that term and who it includes?

GS: Some prior reviews on this topic had used the term “non-standard” and we found that was just not appropriate for us in today's day and age because it's not clear what the comparison to “standard” is anymore. Things are just changing quickly enough that that comparison point doesn't really exist in the way that it did in the past. So, we've got contingent workers, we've got temporary workers, we've got externalized workers, but we find that even full-time workers today often have a side hustle that they're working on at the same time or they might be working remotely, so they're not standard employees in the sense that they're on location for, you know, a 40-hour work week. So, it's just become complicated enough that the term nonstandard and standard didn’t apply in the same way that they did before. And so, we found the word “alternative” - I'm still not sure that’s the best term, but it's better than what we've used in the past.

EM: Absolutely. That makes a lot of sense. And I noticed even in the chapter you had to make some decisions about how you're going to define an alternative work arrangement. You describe in the chapter three major dimensions, can you talk a little bit about those?

GS: Yeah, so prior reviews also had tended to focus on the nature of the work contract and whether somebody had a contract or whether they were working for an agency and they were...
their employer, so whether people had an actual work contract, whether they were an employee, and what we found - especially as similar to that decision, not to use the word nonstandard worker - we found that it was today more than just the contract, the work contract that was being kind of up ended. It was also about where they were working - whether they were co located, whether they were working in a corporate office, whether they were working in a satellite office, whether they're working from home or some other location. So, the second dimension beyond the kind of the nature of the work contract was the location of the work. And then the third one is related to the timing of the work or the work hours and kind of the scheduling of the work with that at normal eight to five kind of job, was it shift work or was it something that was much more flexible and whose choice was it for it to be flexible? Was it for the benefit of the work organization or was it for the benefit of the employee to better manage maybe work-family kind of issues?

**EM:** So, there was this question. One of the elements is who has the autonomy or the choice about what's changing because it seems like a defining characteristic of these new worlds is one of flexibility.

**GS:** So, flexibility seems, all else equal, like a really great thing. Another body of my research is about thriving in the new world of work and what it means for people to thrive and you know, on some levels of flexibility as you view flexibility, if it's within the control of the person, the worker, the employee, that it's wonderful to have that flexibility, and that can enable people to thrive more in their work. If you're able to leave work for a child's event or whether, you know, you're a night owl or a lark, whether you can adjust your workday so that you're playing more to your strengths in terms of when you're going to be at your very best. Flexibility can be a wonderful thing. But if it's solely for the benefit of the company, like we hear so often these terrible stories about on-call workers and having to be available anytime of the day and they can't schedule childcare easily or they can't take college classes in order to work on their degree because they're on call to work at any time or hour. Or they're maybe scheduled for something and then being told at the very last minute that they're not needed even though they've already come to the workplace, scheduled childcare, now they're being told they're not needed and they're not going to be paid. So, flexibility became a really important issue for these alternative work arrangements, and depending on who was benefiting or who is in control of that flexibility makes a big difference in whether people could thrive in their work or not thrive in their work.

**EM:** There is a division between an ominous world of work and an auspicious world of work, and I thought that was really interesting distinction.

**GS:** I'm part of a center for positive organizations here at the Ross School of Business, and I really like to see the positives in our future and the ways that we can better develop people and allow them to be at their full potential but at the same time have a life outside the workplace. I'm hopeful that many things in the new world of work can enable those dimensions, but I also see that there's really a dark side. We're giving people more flexibility and that's great, but we're removing safety nets like benefits or an agreed upon a work schedule or other things that are really important for people to be able to do their best work at the same time that they feel like they're having the safety nets that are necessary to take risks and try new things and be creative and have a voice in the workplace.
**EM:** It seems that both of the groups - or both the ominous aspects and the auspicious elements - exist for high skill and lower skill work, but it seems like one group might have more protective factors. I was curious to hear some of your thoughts about what distinguishes the ominous and the auspicious.

**GS:** I'd say there's two ways to think about that. The first one is if you have in-demand skills, if you have work experience that enables you to be able to be a fast contributor to a project or to a new company, then I think it's a wonderful time. People can pick and choose projects that they work on. They can pick and choose the companies that they want to work for or have contracts with. They can pick and choose the location of their work so that they might not have a two hour commute each day. There's so many things that make it really wonderful if you are highly skilled, have skills that are in demand, and have experience that's relevant to this new world of work. It's wonderful. But it's much more precarious, if you have more limited skills, if you're younger with less experience when you're competing with other workers like you for tasks and for jobs, say in the gig economy, it can be a very, very difficult time, and a time that I think really challenges our expectations for workers to actually be able to thrive. In this case, I think some of these workers are just barely surviving.

**EM:** My age group came into the job market right during the recession. I'm curious out of this research and a lot of what you're mentioning - being younger, having less experience - I'm curious, what advice would you offer to the current undergrads who are entering kind of this new world?

**GS:** Yes, that's a great question and it reminds me, I said there were kind of two ways to think about that question about ominous and auspicious. One is what you can do for yourself to fortify yourself with good skills and so forth. I think the other one is to be discerning about looking for the kinds of work environments to be part of. Some organizations are, even if they're not able to offer you a formal work contract, they still have cultures that help you develop new skills and abilities that are good places to work with good colleagues that have cultures that are not “chew you up and spit you out” sort of thing. The things that I would say, Elizabeth, for kind of people just coming into the workplace, one is develop good skills, understand what your strengths are and how to package those so that you're attractive in this new world of work. I think the second piece is to look for organizations that have the kind of things that will support you in doing your best work, even if it might be choosing to forgo a place of employment for contract work or for contingent work that might be in an organization that provides a better place that will allow you to further develop and play to your strengths. When I was growing up, your parents were kind of happy if you had a job with benefits, right, and a work contract? And now what I say to students is “don't just work for the place with the best benefits or the safest place. It might not be the place that will be the kind of environment that allows you to flourish.” You know, maybe people are really mean. Maybe the work hours are really grueling. Maybe the work is so boring and not developmental, that you're not going to be able to flourish - so to look hard about the kind of cultures that are gonna allow you to bring out the best in yourself. And then the last piece of advice which I'm seeing more and more with our students here at Michigan is more and more students are having a side hustle, something that they're doing alongside of having a regular job where they might extract more meaning or purpose in their work, where they might have more
fun, where they might be developing a new set of skills that their own workplace isn't able to offer to them. So, that's the other pieces of advice I would give-- to think about what kind of side hustle might you want to develop that will allow you to keep growing and create more purposeful work even if your regular day to day job might not have all those characteristics itself.

**EM:** You might be inspiring a new generation of YouTube stars.

**GS:** That's one way to do it.

**EM:** In the US specifically, where do you envision these worlds of work developing and growing?

**GS:** I think oftentimes we see the more ominous picture showing up in more repetitive work or service work where work can be easily outsourced, doesn't have to be done here in the US. I think when you're competing with very low-cost labor and other parts of the world, companies feel like they can get away with not offering good work places or work spaces. I think we see the more auspicious kinds of work where it is more high-skilled, where the kind of skills are in higher demand, I think we see it more, for example, in professional services firms where there is a war for talent, where we see companies competing for the best workers. I think we're more likely to see in work environments that have a look and feel where employees are wanting to come to work, where they do provide good benefits. And, so I would say those are the ways that those two parts are playing out. But there's certainly a lot of exceptions. For example, we're seeing interesting companies popping up like for service workers, for cleaners, you know, the people, the janitors that come in and you know, clean offices after hours. We're seeing interesting startups coming out that, you know, offer benefits to those kinds of workers or create work that's more meaningful. A janitor isn't normally thought of as very meaningful work, but companies that are trying to differentiate themselves by offering the kinds of things you wouldn't expect. So, the point is I think there's a lot of exceptions and there's a lot of room for new entrants that are - the term we use - positively deviant, doing interesting things that you wouldn't necessarily expect for their industry.

**EM:** Which goes back to this idea that you were talking about of making sure you assess the environment.

**GS:** It's easy, much easier to do that now, when just maybe 10 years ago it would be talked to other people who already worked there or use your network of alums to learn more about the organization. Now you can learn a lot more from LinkedIn. You don't have to know those people, they don't have to be in your immediate network. You can look at websites like Glassdoor, which have these anonymous ratings of, you know, what it's like to work at this company. So, it's much easier to find out more today about the kind of work environment before you actually become an employee or a worker there.

**EM:** Talking about the struggle of research to even agree on the parameters and terms to use when studying all of these new work arrangements, what barriers do you think remain for researchers in defining and studying as the field continues to grow?
GS: A recent report came out that showed the number of these kinds of alternative workers kind of plateauing out - gig workers - that it's not growing at such a fast pace. And people said, wow, that doesn't really fit with what our experience is. We see these areas still really growing. What it's coming down to, and what we're finding in our own work too, is it's much more difficult today to classify workers into these different categories. For example, we did a recent study of people who co-work. We asked people to classify themselves of whether they were an employee, whether they were a contract worker, whether they were a part time worker, whether they were a freelance worker, or whether they were an owner of a company. We were going to ask them to choose the one that best fits them, but we got a lot of comments in the other category that we provided that they fit multiple categories. They were an owner of a small business startup at the same time that they were an employee, or they were a part-time worker at one company at the same time that they're a contract worker at another company and so it becomes very hard to classify the type of work that people are doing and their relationship with only one company because today we're seeing people have many very dynamic relationships with different companies and with different kinds of work categories.

EM: And it seems like that will provide a really interesting quandary for researchers of how to create a definition that's flexible and as dynamic to make meaning from this new set of arrangements.

GS: Maybe as a first step we need more qualitative work. We need more case study work to understand the different patterns or the different clusters of people. Is there one big group of people that are the full-time workers with the side hustle? Is there another group of workers that have three part time jobs? And is there another kind of cluster of workers that have a different kind of setup? I think some qualitative work might be really helpful. I think allowing people to choose multiple categories as we are doing work- I think we have to be a lot more flexible in the way that we classify workers and understand them.

EM: Initially when this alternative work sector started to grow, there was some speculation that it was attached to economic decline, but now what I'm hearing you say is that there is a sense that it's here to stay. What do you think is spawning this growth of new work arrangements?

GS: I think it's a great question and I think the answer is “both.” I think both are really true. I have a friend who works for an auto company, and 10 years ago he was hearing a lot of worries about downsizing. With some of the tariffs out right now - Ford Motor Company saying they may have to do some mass layoffs. These Ford employees, that are my friends, that have engineering jobs, really good professional jobs, they’re starting some side hustles right now in case they do get laid off in the future so that they’ve got something else that that can be a fallback for them. There is where it is a potential economic necessity. And then I have other people, former students who are saying, “Oh, I've got this great consulting job that pays really well, but oh my gosh, after the first year I'm kind of doing the same thing over and over again. It feels kind of boring. It's not very meaningful.” They're creating a side hustle that allows them to give back, something that allows them to be more creative, something that's more meaningful to them. So, for them, it's not an economic necessity. They got a really good job, and it provides all the benefits, but they're missing the meaning and the personal connection to their work, so they're
doing it along the side. So, I think it's being spawned both ways, but in the past, it was only for economic necessity. You were a freelance worker just because you couldn't find a regular job and it was going to tide you over until a standard job came along. Today we see people starting out by doing that, like in our business school here at Ross, more and more people are joining startups. More and more people are starting startups. It's not because they can't get the other kind of regular employment. It's because that's where the excitement is and that's where they feel like, today, they can grow and develop in the way that they most want to.

**EM:** The chapter talks about the protean career and it sounds like that concept - one that's driven more by values orientation than self-directed.

**GS:** Our Dean gave a statistic a few weeks ago, that our MBAs in tech jobs are staying on average only two years. Well, that two years isn't because they're being fired after two years. It's because they feel like they're ready to move onto the next opportunity and there's not necessarily a way to keep growing in their current company. They're purposely choosing to do something else after a short amount of time. I think the Protean career that was written about 10 or 15 years ago, I think it's now on steroids, and that people aren't necessarily moving to the next tech company. They're now moving to a startup or they're moving to a professional service firm. They're even in a completely different industry.

**EM:** I just want to end asking you if you have any particular thoughts on what the most important actions for I-O psychologists and HR managers to take as they help understand, as they continue to understand or help create these new worlds of work.

**GS:** It's a really important question. I think today some people still think that the gig economy is really only relevant for kind of low-level employees or frontline employees. I think what we're seeing today is it's relevant for people at all levels of work organizations and if we want to create ways to attract and retain people to not be moving every two years - some movement of course is good, it brings new fresh ideas into the organization, but of course companies invest a lot in people. If they're leaving every two years they don't get that much on their investment. So, what I would encourage HR managers and also I-O psychologists to think about is how do we create that same kind of entrepreneurial spirit within organizations. Google, as an example has something called 15 percent time, where people can kind of have a side hustle within the organization that benefits the organization that comes at their own initiative, but that they're given time in their work week to work on that side hustle. I think too often people think about if I want a side hustle, it has to be something I do on my own outside my work week. I think companies can figure out ways to allow employees to do that in work and when they do that, then I think they're capturing and attracting people to want to stay at that company, but also allow them to have room for development and creativity outside the normal kind of boundaries of work.

**EM:** Thank you so much for spending time with the Work Science Center, Dr. Spreitzer.

**GS:** It was my pleasure, and I hope that you pique some people's interest to go in and look at the chapter. I think there's more on this topic that comes out of our Center for Positive Organizations. I encourage people to go there as another resource. The last thing I also just
wanted to say is I got really excited in the last year also developing a course around this topic that we offer to our seniors, and I think they find it really helpful to prepare themselves as they're kind of leaving the cocoon of being in the business school as undergraduates and moving into this new world of work to be resilient and to be able to thrive because they're aware of, and prepared to deal with some of these dynamics themselves.