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For Immediate Release

Uberfication of the Workplace

APPS CHANGE THE FACE OF THE WORKFORCE

CHICAGO, June 27, 2016 –Whether it’s called the gig economy, the sharing economy or freelance nation, the way a growing number of Americans are piecing together a living is leading to a new employment landscape; one in which the concepts of work and the workplace are being entirely redefined.

A new outlook from the employment authorities at global outplacement consultancy Challenger, Gray & Christmas, Inc., predicts that the arrival of platforms like Uber, AirBnB, and Spinlister, along with the explosion of users providing and purchasing the respective services and products, will reshape the workforce in new and unexpected ways.

“Most of the impact will be positive, as workers in this burgeoning environment will generate new and, possibly, multiple streams of income. These services are also great for consumers who have new and innovative ways to connect directly with vendors. However, as we have already seen in lawsuits against Uber and Lyft, the relationship between employer and employee is complex and presents many questions regarding the rights and responsibilities of both parties,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

According to Challenger, we have only scratched the surface of the new challenges the sharing economy could pose.

“We’re in the early phases of this phenomenon. Most of these transactions are limited to deliveries, taxi services, or room rentals. However, as this model finds footing, we could see it expand, to some extent, into more and more industries industry.

“For instance, instead of consulting firms, we may see apps which connect qualified consultants directly to companies looking to use their services. Chefs may freelance to multiple restaurants. Nurses or health care workers could connect to individuals or facilities who need them,” said Challenger

It will not end with the service sector. Already, companies like Airbnb give property owners new uses for their possessions. Spinlister.com is a peer-to-peer rental site focused on sporting equipment, such as bikes, skis, snowboards, and surfboards.

The person who picks you up from the airport or delivers your Mac Book from Best Buy are not employees of these companies. While workers typically undergo a comprehensive application process replete with background checks, they are considered independent contractors.

“The problem stems from the fact that the parent company is really an app developer and not a traditional employer. Uber and Lyft simply provide the platform that connects drivers and riders. They need both parties in order to succeed, but the drivers technically are not employed by either service,” said Challenger.

“Likewise, AirBnB does not employ those who rent out their rooms or homes. They simply provide the mechanism by which those home owners can find guests. The biggest question in these new arrangement is who is ultimately responsible for protecting the rights, safety and integrity of both providers and buyers?”

Independent contractors comprise over 10 million workers, according to the 2010 census, and another 7 million workers aged 20 and over work two jobs. In 2015, almost 4 million workers had a primary job and a secondary part-time job, while another 1.9 million had two part-time jobs.

Platforms like Uber will change these numbers dramatically over the next decade. Uber had 160,000 drivers as of January 2015, a figure that has undoubtedly skyrocketed based on the fact that an average of 50,000 new drivers are added to Uber every month, according to the company.

Recent legal decisions do not appear to have negatively impacted the services’ attraction to potential drivers. The possibility to work to one’s own schedule is a definite boon to free agents.

While not impacting recruitment, the recent rulings represent the biggest threat to services like Uber. Last fall, a California regulator determined a former Uber driver was an employee and needed to be paid unemployment benefits. Another judge found an Uber driver was entitled to back wages. The company argued that these rulings applied to only those individual drivers, and that the majority of Uber drivers want to be independent contractors who set their own shifts.

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