POLITECNICO
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SCUOLA DI INGEGNERIA INDUSTRIALE
E DELL'INFORMAZIONE

Reaching agility integrating freelancers in a hybrid workforce ecosystem: a study on Italian small-medium enterprises

TESI DI LAUREA MAGISTRALE IN
MANEGEMENT ENGINEERING-INGEGNERIA GESTIONALE

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Academic Year: 2020-21

Ad Antonella.

Abstract

English version

In the last decade, the nature of workforce has been subject to several changes, including a remarkable rate of growth in the number of independent workers or freelancers, particularly in developed countries. Companies are trying to get the full potential from these resources, involving them not only for tactical purposes but also under a more strategic perspective. In particular, rather than relying on freelancers and e-lancers to tap high-skills gaps as an ad hoc response to urgent needs, now some companies are developing a more cohesive approach to incorporate highly skilled freelancers in their business strategy.

Notwithstanding its recent growth, this area is still underdeveloped in academic research. Hence, purpose of this exploratory research is to provide organizations with an understanding of the main implications of embracing a hybrid workforce model, and with some best practises to adopt in order to fully exploit every talent's potential. Being strategic agility key to sustain and compete in the dynamic and ever-evolving market environment, aim of this research thesis is to investigate specifically the impact of the use of freelancers on workforce agility. The study was conducted by means of case studies on Italian SMEs and contemplated 25 interviews to freelancers and representative members of 8 companies. Results show how companies with such demographics can be ascribed to three macro-groups based on their approach: Traditionalism, Flexible Talent Model and Open-Continuum. Main contributions to the state-of-art literature also include the definition of some implementational best-practices to capture value out of a hybrid workforce.

Keywords: workforce agility, freelancing, hybrid workforce model, open-continuum

I

Abstract

Versione in Italiano

Nel corso dell'ultimo decennio, il mondo del lavoro ha subito diversi cambiamenti: fra questi, soprattutto nei paesi più sviluppati, si sta assistendo a un notevole tasso di crescita nel numero di lavoratori indipendenti o freelancer. Organizzazioni ed aziende stanno cercando di sfruttare appieno il potenziale di queste risorse, impiegandole non solo per scopi tattici, come avvenuto finora, ma anche sotto una prospettiva più strategica. In particolare, piuttosto che affidarsi a freelancer e e-lancer per colmare le lacune di competenze e know-how come una risposta ad hoc ad esigenze sul breve termine , oggi alcune compagnie stanno sviluppando un approccio più inclusivo per incorporare freelancer ad alta professionalità nella loro business strategy.

Data la recente crescita, tali temi sono stati poco approfonditi dalla letteratura accademica. Da qui, il proposito di questa ricerca esplorativa è quello di fornire alle organizzazioni una maggiore comprensione delle principali implicazioni di adottare un modello di hybrid workforce e alcune best practices da adottare nell'ottica di sfruttare al meglio il potenziale di ogni tipo di talento. Essendo l'Agilty fondamentale dal punto di vista strategico per sopravvivere e competere in un mercato dinamico ed in continuo mutamento, scopo di questa tesi di ricerca è di indagare nello specifico l'impatto dell'inclusione di freelancers nel proprio business sulla workforce agility. Lo studio è stato condotto tramite casi studio su PMI Italiane e ha previsto 25 interviste a lavoratori indipendenti e a rappresentanti di 8 compagnie. I risultati ottenuti mostrano come le compagnie appartenenti a questa categoria demografica possano essere classificate sulla base del loro approccio in tre macro-gruppi, denominati Tradizionalismo, Flexible Talent Model, Open-Continuum. I principali contributi allo stato dell'arte della letteratura includono anche la definizione di alcune best-practice implementative per catturare il valore aggiunto di una forza lavoro di natura ibrida.

Keywords: agilità organizzativa, freelancing, lavoro flessibile, open-continuum

Index

Index of figures

Index of tables

Reaching agility integrating freelancers in a hybrid workforce ecosystem. A study on Italian small-medium enterprises

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ACADEMIC YEAR: 2020-2021

1.   Introduction

Freelancing has been for a long time a useful tool from which companies and organizations had the chance to benefit, as an alternative to traditional employment working arrangements. Some leading companies are now rethinking their whole approach to finding and managing talents, embracing more flexible and blended workforce models. The deployment of freelancers is thus assuming a more strategic perspective. Given its recent growth, this area is still underdeveloped in academic research. Hence, it is fundamental for companies to understand the main implications the collaboration with freelancers can bring, and the best practices to fully exploit its potential.

2.   Literature Review

A concept nowadays rising is the one of **workforce ecosystem**: academics and practitioners describe it as a network of actors where each member is dependent on the output and results of the others, thus requiring a collaborative and transparent interaction among them. Actors embedded in this complex system range from traditional full-time employees to what can be defined as alternative workforce (Ashford et al., 2007), including independent contractors, gig workers, and the crowd. In this context, the term alternative work arrangements is used to capture the variety of different manifestations of work seen in today's workplace, from high-skill freelancers to low-wage service workers, to workers with long-term employment contracts (Spreitzer et al., 2017). Companies are showing growing interest in embedding **digital labour platforms** in their business models to get access to a new form of workforce. The main features of platform work, as summarized by De Groen & Maselli, 2016, are: Paid work organized through platforms; Three parties involved: platform, client, worker; Aim is to conduct specific tasks or solve specific problems; Form of outsourcing/contracting out; Break-down of 'jobs' into 'tasks'; On-demand services. This phenomenon has led to the creation of new

categories of independent workers, allowing people to collaborate remotely and to work together even if located in different parts of the world. E-lancers are contracted professionals who provide services on hourly, project or short-term basis and accessed thought online marketplaces, not working exclusively for one company.

For firms competing in volatile environments, **strategic agility** represents a key organisational paradigm for sustaining in the market and leveraging on digital platforms a source of value and a way to foster agility and mould the workforce in real time to respond to changing market needs. Agility can be defined as the competitive capabilities that enable organizations to cope with changing environments by constantly and rapidly spotting, sensing and seizing opportunities through intentional strategic moves and changing organizational configurations. It generally refers to firms' ability to continuously adjust strategic direction in a core business.

Aghina et al., 2017 developed a framework defining the five fundamental "trademarks" of agile organizations and framing at the same time an emerging set of "agility practices", as shown in *Table 1*:

Trademarks	Organizational Agility Practices
North Star embodied across the organization	Shared purpose and vision; Sensing and seizing opportunities; Flexible resources allocation; Actionable strategic guidance;
Network of empowered teams	Clear, flat structure; Clear accountable roles; Hands-on governance; Robust communities of practice; Active partnership and eco-system; Open physical and virtual environment; Fit-for-purpose accountable cells;
Rapid decision and learning cycles	Rapid iteration and experimentation; Standardized ways of working; Performance orientation; Information transparency; Continuous learning; Action-oriented decision making;
Dynamic people model that ignites passion	Cohesive community; Shared and servant leadership; Entrepreneurial drive; Role mobility;
Next generation enabling technology	Evolving technology architecture, systems and tools; Next generation technology development and delivery practices;

Table 1: Five trademarks of agile organizations

A novel component of organisational agility that is attributed growing relevance by the management literature is the so called *workforce agility*, defined as the set of practices that an organization uses to effectively redeploy its workforce to value creating activities (Franco & Landini, 2020). Among the organizational practices that can influence workforce agility: organizational learning and training, a reward system (Muduli, 2016) and in particular non-traditional-based rewards such as skill-based pay systems, improvement-based incentives or non-monetary rewards, employee involvement practices (Sumukadas & Sawhney, 2004), teamwork environment (Breu et al., 2001)

3.   Literature Gaps

A thorough and systemic analysis has been carried out on the sources' dataset, to identify thematic holes not comprehensively explained by the state-of-art literature. The main research gaps were grouped into seven main thematic areas, hereafter listed:

1. **Coordination and integration** issues;
2. **Socio-psychological dimension**;
3. **Freelancers' attraction and retention by platforms**: lock-in and commit mechanisms;
4. **Legal dimension**: sketchy regulatory frameworks;
5. **Task-role fluidity**: blurring boundaries of responsibility areas and of staffing arrangements;
6. **Relation between agility and freelancers**;
7. **Skills and competences: HRD** professionals' **role** in fostering skill development.

Given the number of gaps identified, it has been decided to focus the purpose of this dissertation only on some sub-points of the following categories of gaps:

- Relation between agility and freelancers;
- Coordination and integration;
- Task-role fluidity.

Consequently, the research questions have been developed.

RQ1: **How do freelancers impact on agility?**

- *Do freelancers bring innovation and new knowledge in the company, being more updated on market trends?*
- *Being freelancers allocated to different tasks and projects on the basis of their skills, do they make project teams more flexible favoring the creation of a fluid network?*
- *Do freelancers favor the exploitation of digital platforms and integration of traditional and agile working forms?*
- *Do freelancers favor rapid exploration by being allocated to innovation (exploration) while internal people stay allocated to the normal business (exploitation)?*
- *Does the collaboration with freelancers push towards the adoption of a pay-per-output model?*

RQ2: **Which are the operational practices to orchestrate an ecosystem of external and internal individual workers?**

- *How to parcelize processes and projects splitting them into sub-tasks and roles to be subsequently assigned to internal and/or external resources?*
- *Which are the control mechanisms put in place by companies to monitor the results and output delivered by external workforce?*
- *How are feedback to external resources managed?*
- *Which are the main frequent issues arising from the management of hybrid teams?*
- *How to best motivate external workers?*
- *How to create engagement?*
- *Which are the main sources of conflicts between internal and external resources?*
- *Which is the most suitable approach to manage conflicts involving internal and external resources?*

RQ3: **Is the choice of the way to access (intermediary) freelancers a variable that has an impact on agility performance?**

5.   Analysis Framework

To answer to the research questions in a consistent and articulate way, a framework has been adopted to link all the key variables (*Figure 1*). This framework aims to provide a high-level overview on the conceptual roadmap of the thesis' work, as well as a summary of the main linkages between investigated themes. The focus of the analysis will

be the link connecting implementational practices and strategic objectives' realisation with the achievement of agility trademarks. Different implementational practices adopted by different firms will be tested in efficacy to drive general conclusions on possible best practices or areas of further improvement.
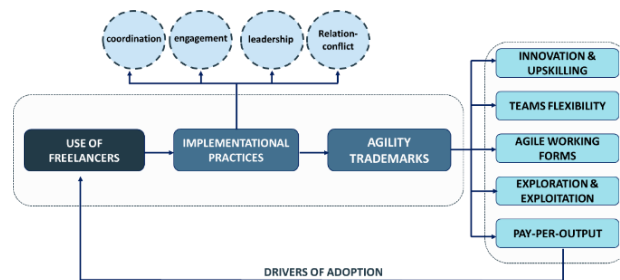
Figure 1: Analysis Framework

6.   Methodology

An exploratory approach has been chosen to build new theory, based on case studies. Concerning the sample of study, a set of specific criteria has been defined:

- Focus on high-skilled professionals,
- The sector where companies operate was chosen based on the literature, to cover the principal industries indicated by it.

In the end, it was possible to include in the sample 8 companies (*Table 2*), allowing to cover a sufficiently large range of industries and gaining insights on real-life contexts from different firms and freelancers. The gathered results were integrated with interviews carried out with 9 freelancers.

The totality of the transcribed interviews (25) underwent to a common **structured analytical approach and coding protocol**, following the steps here reported:

1. **Extrapolation of main sentences**: an Excel file with the answers was created as raw data lake, allowing to remove redundant information, as well as to de-structure statements which incorporated answers to different questions or sub-questions.

2. **First-level coding**: a classification and standardization of questions and answers has been put in place to obtain a unique, coherent dataset.

3. **Second-level coding**: it was performed labelling the answers according to the variables of the

analysis framework and assigning specific codes to each of them. The set of labels were categorized according to their sphere of pertinence.

4. **Third order analysis**: a **clustering** by analogies was performed in order to build three main profiles of companies with characteristic approaches and distinctive cultural and demographic traits.

Sector	Core Business	Freelancers' roles
IT service	Managed IT infrastructure, IT operations, technical support services; intelligent data center,	SAP consultant; database consultant;
Web service	One-to-one video-call; Personalised audio and video messages	Software development; graphic and web design; Legal; HR
Metallurgic	Bending of tubes of large diameter	Quality; Security; Sales & Marketing; Legal; accounting; HR;
Engineering	Design, Compliance and Computer System Validation	engineers
Manufacturing	Manufacturing for equipment for the dental industry	IT administration; HRM; accounting; marketing
Real estate	Real estate company operating through a franchise system	Commercial agents
Finance	Credit management, recovery, scouting and investment, real estate services, legal advisory.	legal; strategy
Pharmaceutical	Introducing innovative pharmaceutical products that combine different medicinal plants	IT; Legal; HR; security; accounting

Table 2: Interviewed companies' overview

7.   Main Insights Emerged

The insights gathered thanks to the interviews have been compared with what discussed in the literature review analysis in order to highlight what is confirmed, what contradicts and what is added to the extant academical research.

As stated by the literature, access to knowledge and competencies not available within the boundaries of the organization is one of the key drivers of adoption of freelancers; Adopting freelancers is not toward a one-time approach but is oriented to generate a long-term advantage.

The allocation of the employees to project teams basing on their skills and competencies and not (merely) on the basis of other criteria such as workload or time constraints may be seen as a way to increase resources' flexibility.

The adoption of hybrid workforces does not impact on the adoption of agile working forms.

When deciding whether to boost exploration by assigning innovative projects to freelancers or vice versa, key drivers are: IP and know-how protection on one hand, exploitation of the up-to-date skills and experiences of the external market brought by freelancers.

The adoption of hybrid workforces does not impact on the choice of retributive models.

Breakdown based on competencies is the best solution, facilitating the management of hybrid teams (it's easier to identify responsibilities); Following time and budget constraints allows to save money or speed up projects.

Both formal (milestones, KPI, reports) and informal control (final output, feedbacks) is applied when dealing with freelancers and e-lancers. In general, a stronger level of control may be applied when dealing with freelancers so that they don't always have higher autonomy.

The effectiveness of feedback management styles depends on different company's traits such as the culture and the leadership style adopted.

Coordination, alignment, control and miscommunication due to different backgrounds represent the main problems arising from the management of hybrid teams.

Economic rewards-based incentives are the most popular (companies, but also freelancers, are still attached to traditional-based rewards) however firms trying to apply an open continuum approach tend to adopt non traditional forms.

External workers' involvement in the compsny life is the main strategy adopted for engagement creation; hpwever companies must consider the fact that not always freelancers are willing to establish bonds with the company.

Regarding the leadership style, when dealing with external resources, the psycho-physical conditions of freelancers is considered as important on pare of the final output to be achieved.

Requirements misunderstanding, resistance to change, differences in contractual obligations, authority matters represent main sources of conflicts.

The most effective conflict management strategies in hybrid teams are anticipating and compromising. The avoiding strategy is mainly suitable when freelancers are involved to speed up projects short term oriented.

Furthermore, three different company profiles have been outlined by analysing the answers gathered. For the clusters' identification, as principal distinctive variables were set the answers given to the questions and sub-questions of the first research question, which regarded mainly the general drivers and decisions of companies when collaborating with freelancers, including an investigation on the impacts of such decisions on flexibility, innovation, and upskilling.

TRADITIONALISM: there is high heterogeneity in the way to deal with freelancers and with internal employees, producing little integration. This approach prevents knowledge absorption and gives little to no priority to the organisational ambidexterity. Normally, freelancers and employees are not allocated flexibly to project teams on the basis of their competencies, but following other more rigid criteria. Freelancers are mainly used for ad hoc projects and confined tasks.

FLEXIBLE TALENT MODEL: firms still consider differently workers on the basis of their contractual working arrangements, but they are open to make the transfer of knowledge happen. While there is no criterion in allocating either internal or external workers to innovative projects, sometimes the fear for IP protection wins over the possibility to exploit the innovative knowledge taken from the market and brought by the freelancers. In general, though, flexible allocation by capabilities prevails.

OPEN CONTINUUM: working arrangements are shaped as to form a fluid network, where formally internal employees mingle with collaborators, ranging from the closest ones to the more independent, but treated homogenously alike employees. This approach favours the absorption of know-how. Also, companies in this cluster tend to dedicate specific resources to exploration and to exploitation and flexibly allocate by competencies their workers.

Key points of differences among clusters are:

- Company's age, dimension and HR maturity
- Control mechanisms adopted
- Problems faced, roots of conflicts and strategies for addressing them
- Leadership styles adopted, practices leveraged for motivating and engaging

Furthermore, what is noteworthy is that different clusters are characterised by different adoption drivers: *Traditionalist* firms are driven mainly by the wish to lighten the company's cost structure and to speed-up projects, *Flexible Talent Model* firms adopt external resources for englobing strategic competencies and for limiting the company's organic growth, while the ones clustered as *Open Continuum* make their priority the involvement of freelancers in innovative projects. This view can give another perspective to the analysis: the same company can behave as belonging to one cluster or another depending on the objective or the type of freelancers involved.

As regards the outsourced tasks' impact on innovation per industry, what emerged is that:

- The roles with higher impact on innovation vary depending on the core business;
- The only outsourced roles which have high impact on innovation in all sectors are strategic ones like temporary management and strategic consulting;
- In general, the most impactful competence areas are the ones more related to the core business of each company.

8.   Conclusions
I.   Managerial Implications

A firm willing to set up a hybrid workforce ecosystem needs to have some cultural traits and a

general HR approach: **homogeneity** and similar treatment for internal-external workers in terms of retribution drivers, allocation criteria, management style and leadership philosophy, conflicts and feedback management, motivation and engagement practices. This favours integration and smooth coordination.

Secondly, some best practices in terms of coordination and integration of work when dealing with hybrid teams emerged from the cases are: **allocation** to the project tasks and roles **by competences** to favour flexibility and absorption of know-how; **control mechanisms** monitoring the work should be: **in progress** like milestones to prevent misunderstandings and reworks, and **output-oriented** like KPIs to give the work a structured setting, favour the reaching of objectives, motivating workers. **Communication and compromise** are evergreen **conflict solving strategies**, alongside with **anticipating**, i.e. taking every possible countermeasure to avoid the arousal of conflictual situations. Balancing **different types of motivating and engagement practices** like providing stimulating work content, nurturing a fruitful long-term relationship, job variation and results' quality acknowledging perform well in terms of incentivation. A healthy environment with harmonic working relations in the long run contributes to boost performances.

Relying on e-lancers can lead to different benefits:
1. Reduced time to find, select and engage with a proper resource;
2. Reduced cost for the selection process, reduced average cost for the resource's working time;
3. Higher probability of finding a resource fitting for the task and skill requirements.

II. Limitations & Future Directions

Data were collected **only from Italian companies** and freelancers, and generalization of results on freelancing industry is somehow limited. It would be interesting to compare different demographics, both European but also international.

Being the majority of analysed firms in this thesis mainly small and medium sized companies, future studies could **take into considerations larger companies** to understand how dynamics and managerial implications change accordingly.

The majority of the selected companies make use just of either traditional freelancers or e-lancers. Just one interviewed company has leveraged on both kind of intermediaries so to be able to give insights on the difference or similarities of such choices. Future studies could further deep dive the **structural comparison between the two solutions**. Future studies can deepen the issue of whether and how the **involvement of freelancers** in hybrid teams **can root a more flexible allocation** of internal resources to project teams too.

Finally, the number of case studies is not statistically relevant, even if it is possible to observe a clear pattern of the results. It would be important to test the findings among a new and **broader set of case studies**.

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10. Acknowledgements

1. Introduction

1.1. Ongoing trends: the future of work

In this first chapter the main trends which are reshaping the direction in which society, economy and especially work are developing will be analyzed and broadly explored. The aim of the first section is to settle the big picture describing the impact of new technologies and macroeconomic trends on the world of work.

It is beyond question that Internet has revolutionized society and the economy to an extent which would have been unthinkable only twenty years ago. But Internet was not the only revolutionary innovation influencing the work sphere, indeed several significant technological changes and improvements shook up companies and workers: **massive gains in computing power**, **the rapid spread of connectivity**, innovations in **software engineering**, and **scaled computing** through the Cloud have shifted more and more business activities into the digital and algorithmic world (Fuller et al., 2020). The so-called digital transformation not only created new occupations, services and tasks (Goldin & Katz, 2009) but also profoundly transformed organisational culture and company's business models. 'Digital transformation' is a buzzword nowadays and has good reasons to be. By one estimate cited also by Fuller, companies in 2019 spent around one trillion dollars globally on digital transformations, and Covid-19 pandemic didn't stifle these investments: the rate of innovation almost doubled, rising from eight percent of 2019 to 14 percent of 2020. The average digital transformation spending grew from $27.0 million (2019) to $27.5 million (2020)[i], with a global spending of $1.31 trillion in 2020[ii] and on pace to surpass $2 trillion (yearly) before 2023. As shown by the Delphi study (Daheim & Wintermann, 2016), the effect of this digital shift is clear: if on one hand an increasing number of simple jobs will be automated by artificial intelligence, on the other many new professions are being created. Among them some new jobs that will potentially emerge include interior decorator for virtual space, algorithm insurer, virtual team assistant or ethics algorithm expert.

Alongside with the big digital changes, some economic and sociological trends contributed in reshaping the way people work: from the shift in economic power between developed and developing countries (the rapidly developing nations, especially those with large working-age population and which are improving their education system), that will lead to an increase of the competition, making offshoring more pervasive in the future decades, to globalisation, which exacerbates still further the rapid spatial shifting of work through digitisation and automation.

Following the changes in the way demography, society and economy are structured, workforce preferences changed significantly. Workers want to design their own unique career path[iii] not fitting in the traditional job models. The key aspect workers require in shaping their career is **flexibility**, alongside with a better **work-life balance**, probably the most important lesson learnt for companies after the pandemic, as confirmed by LinkedIn's survey[iv]. This translates in a **self-regulation** not only in terms of working hours, with the ultimate breaking of the "eight to five" paradigm, but also in the choice of the workplace itself, which may be various locations other than the primary site of the employer. This is of course a consequence of the diffused connectivity and of the enabled mobile working, that consent the digital communication between peers or different entities. These choices of flexible **time and places** are in many cases linked to improved organizational performance, personal benefit and loyalty as highlighted by the above-mentioned article by Deloitte[iii]. These trends were the logic foundations for the increase in flexible working arrangements offered by organizations and in the numbers of freelancers and independent workers who decide to rely on coworking spaces and communities, with the consequent decreasing in the number of fixed employment contracts. In this perspective, from the organisation viewpoint, there will be increased prevalence of temporary **project-based** tasks over permanent organizational jobs and job roles (Som et al., 2019). An indispensable element in this new scenario is **trust**, key enabler of these new loosened employer-worker relationships. Indeed, studies[iii] demonstrated that such flexible arrangements are strongly correlated to better productivity and performances and **increased employee engagement and retention**. Workers benefiting from flexible arrangements report enhanced living conditions in general thanks to a better balance between personal and professional life, resulting in a higher

overall well-being, health and happiness.

In conclusion, investigations on workers' sentiment show that their desire would be to get the best of both worlds: **freelance flexibility wedded with full-time stability**. This trade-off is though not so simple to manage since, together will all the mentioned benefits, there are a number of criticalities which will be further explored in the section <u>freelancer problems</u>.

One specific innovation which synthesizes the megatrends beforementioned, both the technological trends and the shifts in labour paradigms, is the rise of digital, virtual platforms acting as intermediaries between individuals and companies who reciprocally provide and demand products and services, with the very simple philosophy of matching demand and supply. One particular kind of platforms is the one represented by those which propose to connect companies with high- or low-skilled workers, also called gig workers, on-demand workers or crowd workers. This created a whole new way of working: remotely, on-demand, self-organized. Generically, these workers are labelled as '**alternative workforce**', but we will dive more deeply on the terminology aspect in the next paragraphs. In an environment extremely dynamic and unpredictable where digitalization and automation reign, a particularly strong pressure is felt by business leaders to find the right talent at the right moment, and on-demand talent is the first answer to this everlasting problem.

1.2. Companies and freelancers: reshaping the workforce

According to the research conducted by Fuller concerning the most valuable drivers of success in the near future, business leaders will give priority to improved operational efficiency, strong leadership and strategic planning abilities and data-driven decision making.

An important role is also covered by the capability to create **adaptive and more agile** working models, allowing organizations to react to the market in a faster way. Firms will eventually

be arranged around **networks**, increased partnerships and coopetition, outsourcing and contracting rather than self-sufficiency, and the long-held view of organizing labor and capital to deliver products and services in the same location appears to be losing its strengths.

This has led leaders beginning to think more expansively about who is in their workforce: many expect more external workers to be part of their workforce in the future. Some are even thinking structurally about what their workforce is, and we see an increasing trend toward a workforce ecosystem approach, rather than a mere distinction between internal employees and external collaborators of different natures.

This new trend has seen scholars and researchers studying with greater attention and trying to frame the so-called **open talent continuum**, a framework aiming to spin off the pool of resources which companies can rely on for creating value for their business, from traditional full-time employees and managed services to alternative workers, including independent contractors, gig workers, and crowdsourcers.

Figure 2: Open talent continuum

A concept that nowadays is rising from these considerations is the one of **workforce ecosystem**: we define a workforce ecosystem as a structure focused on value creation for an organization that consists of complementarities and interdependencies. This structure encompasses actors, from within the organization and beyond, working to pursue both individual and collective goals. By *complementarities*, we mean that some members of the

system (workers or organizations) work independently yet together offer value for their mutual customers. By *interdependencies*, we mean that some members rely upon one another for their shared success (or failure) (Altman et al., 2021). In this new framework **value is created by the continuous movement of actors in and out of the system** that enables different types of work arrangements for various stakeholders (Mahesh et al., 2018).

As implication of this new mindset, the need of companies to rethink their processes and evolve from the traditional talent management attitude focused on attracting, developing, and retaining needed talent. Now they are moving to the **Access-Curate-Engage approach**[v], in which organizations access talent on the open continuum, curate consumer-grade learning experiences that can enable technology athletes to build skills in real time, and engage talent by realigning rewards, incentives, and leadership to support and enable idea generation, cocreation, collaboration, accountability, and transparency.

This ecosystem approach is a significant departure from the traditional view of the workforce, which envisions individual employees performing work along linear career paths to create value for their organization (Altman et al., 2021).

1.3. Outsourcing evolution

The typical strategy adopted by companies to get access to resources external from their boundaries is outsourcing. Over the years, outsourcing has been subject to trends that have characterized markets and the business environment.

The literature and academic papers identified three different phases.

The first wave of outsourcing was **offshoring**, in which manufacturing jobs in the 1960s-1970s moved abroad because of free trade and lower labour cost (Korok et al, 2019). Here it is important to highlight the distinction between offshoring and outsourcing: offshoring is defined as work conducted offshore by subsidiaries of the enterprise, and outsourcing as work conducted by non-subsidiary firms in the host country (Korok et al, 2019). The second wave of outsourcing took place during the **first Internet bubble** of the late 1990s and early

2000s (Gereffi, 2005). During this time, companies set up operations abroad to outsource services handled by their back office, such as call centres in India. The third wave is **online outsourcing**. Technology platforms allow buyers and sellers to contract through dynamic auctions. Furthermore, corporations will no longer only hire full-time employees who conduct all the tasks themselves, rather, these employees will interface with a global network of workers available on demand, potentially placed in other countries.

1.4. The impact of Covid-19

Covid-19 has exacerbated a number of trends which were already present in the workforce market. Companies were already struggling to face demographic shifts changing workforce requirements and expectations, increasing competitive tussle. The pressure to find the right sought-after talent quickly as well as the need to stay flexible and nimble to respond to the growing uncertainty of the environment forced firms to change mindset and to consider re-engineering of the functioning of core business areas, like human resources organization. Rethinking practices designed in an era when full-time, stable internal employees constituted the totality of the workforce became imperative. This is where digital talent platforms stepped in, finding roots for novel business models as matching enablers between digitally accessible on-demand talents and firms.

1.5. How companies can get in contact with freelancers

There are different ways companies can undertake to reach external talent. The distinct channels and points of access represent the possible intermediaries available. In this dissertation, four macro-categories are considered: *Digital Labor Platforms*, Agencies and *other stand-alone Intermediary Businesses, Workers' Cooperatives and Associations* and *Policy Makers*.

Digital Labor platforms are online marketplaces whose main aim is to match demand (from organizations or single users) and offer (from independent workers), reducing transaction

costs and representing a single point interface for posting tasks and hiring talents. The basic features are suggesting, thanks to algorithmic matching, the right talent to hire to companies and the most suitable tasks to apply for to freelancers, as well as supporting payments and granting trust and loyalty through mechanisms aimed to build reputation. Some platforms offer additional accessory services like assistance in task specification, inspecting quality or training. Upwork, Fiverr and Toptal are examples of this kind of intermediary players. This category will be broadly deepened in the [dedicated chapter](#).

Agencies and other stand-alone Intermediary Businesses may emerge in specific countries and with specific missions. Temp agencies and professional employer organizations belong to this category. Through these intermediaries, *agency temporary workers* are assigned on a short-term contract (often clerical) or on a longer-term contract (like IT specialists) (Spreitzer et al., 2017). The agency is the employer of record and is responsible for all regulatory requirements such as payroll and employment taxes. Workers are linked to the agency through a traditional relationship (i.e. agencies actually employ workers (Meijerink & Keegan, 2019)). In general, any agency, either specialized in one sector (e.g. cleaning services) or general-purpose, with the aim of providing companies with the needed workers on-demand, may fall into this category. But there are also innovative different business models which are not comprised in the sub-category of agencies but are enlarging the scope of their business towards being alternative forms of intermediaries. We report here two examples: co-working spaces and associations and *Black Tie*. Co-working spaces are evolving in co-working associations which mean to offer more services than the mere space where to work, creating associations of professional freelancers. *Black Tie* is a transversal consulting firm performing competence scouting to build teams for companies, giving an end-to-end support focused on flexible working. A digital platform is meant to back the service.

Workers' Cooperatives and Associations are entities which provide social and/or legal support to freelancers and support the industry-freelancer matching. In particular, cooperatives play a critical role in building community wealth by creating quality,

empowering jobs for the members and creating networks between workers and freelancers. In some cases, they may also act as *Digital Platforms* enabling the creation of marketplaces to match demand and offer. Worker cooperatives are member associations, and generally involve high levels of member participation in decision-making. Some Italian examples which can be mentioned are: ACTA ("*L'Associazione dei Freelance"*), EFIP (European Forum of Independent Professional), Assolombarda, Confindustria, Consip.

Policy Makers do not act as matchers, nevertheless they play a crucial role in this ecosystem, such that they cannot be trespassed in the analysis. Indeed, their scope is guaranteeing legal protection to workers and avoiding labour arbitrage in a market still immature and characterised by consistent legal voids and palpable power asymmetries. Governments represent the main player falling into this category, since labour unions specific for the workers' category under analysis are still absent.

The below table (*Table 3*) summarizes some of the features of the intermediaries aforementioned.

	Digital labour platforms	Agencies/other	Cooperatives/associations	Policy makers
Employment status	Absent	Present	Absent	Absent
Tasks	Selections; training; payment support; matching; rating	Recruitment; matching; compensation	Social and/or legal support	Regulations and legal support
Examples	Upwork; Fiverr	Adecco; Randstand; Black Tie	ACTA; Assolombarda	Governments

Table 3: Intermediaries' overview

1.6. Increasing use of platforms

Since the emergence of online platform work, there have been numerous attempts, by both private entities and official statistical agencies, to estimate the number of such workers and their characteristics.

One of these attempts culminated in the development of the online labour index.

The Online Labour Index (OLI), developed by Otto Kässi & Vili Lehdonvirta as part of the iLabour project at the Oxford Internet Institute (Kässi & Lehdonvirta, 2016), is the first economic indicator that provides an online gig economy equivalent of conventional labour market statistics. It measures the supply and demand of online freelance labour across countries and occupations by tracking the number of projects and tasks across platforms in real time.

Figure 3: OLI Index

The **OLI** is constructed by tracking all the projects/tasks posted on the five largest English-language online labor platforms, representing at least 70% of the market by traffic. The projects are then classified by occupation and employer country.

Thus, the aim of the OLI trend is to exhibit in a quantitative way the spreading phenomenon of digital platforms, whose exploitation is increasing constantly over the years, showing the growing interest of companies and organizations in embedding these tools in their business

models to get access to a new form of workforce. Furthermore, new talent models are expected to be used by companies not just to improve performance within the boundaries of their current business models but also to experiment with new business strategies built around using an on-demand workforce.

This perspective is also enforced by BCG's research by Fuller: since 2009, the number of digital platforms that offer companies access to highly skilled workers—that is, those with a four-year college degree or more—have burgeoned from 80 to more than 330.

Figure 1: **Growth of the digital talent platform ecosystem**

2009: **~80** companies
~$180 million investment

2014: **~190** companies
~$600 million investment

2019: **~330** companies
~$1.9 billion investment

~110 new companies,
~140% growth in number of
companies since 2009

~140 new companies,
~75% growth in number of
companies since 2014

● Digital freelancing marketplaces
● Crowdsourcing innovation platforms
● Marketplaces for premium talent

Note: This includes companies that are headquartered within and outside the U.S.
Source: Authors' analysis

Figure 4: Growth of digital talent platforms

1.7. Definition of platform

To deep dive in the explanation of digital platform, we can refer to the definition provided by Eurofound (Florisson et al., 2018) in order to understand what 'digital labour platform' really means:

Platform work refers to an employment form that uses a platform to enable organizations or individuals to access other organizations or individuals to solve specific problems or to provide specific services in exchange for payment.

Accordingly, the focus of the research is on platforms matching supply and demand for paid labour. The main features of platform work, as it is understood in this project, are:

- Paid work organized through platforms;
- Three parties involved: platform, client, worker;
- Aim is to conduct specific tasks or solve specific problems;
- Form of outsourcing/contracting out;
- Break-down of 'jobs' into 'tasks';
- On-demand services.

The terminology related to digital labor platforms will be deeper stresses in the [literature review phase](#).

1.8. Platforms' introductory classification

Today, the proliferation of digital talent platforms is bringing to the creation of marketplaces where talents of different kind, background and sectors can be at the disposal of organisations.

A possible classification found in the literature (Kässi & Lehdonvirta, 2016; De Groen & Maselli, 2016) maps 'platform works' on the basis of the content of the work, the field and the skills required.

Occupation	Examples
Professional tasks	Accounting
	Consulting
	Financial planning
	Legal services
	Human resources
	Project management
Clerical and data entry	Customer services
	Data entry
	Transcription
	Image tagging
	Content moderation
	Web research
Creative and multimedia	Design
	Audio
	Photography
	Video and audio production
	Voice acting
Sales and marketing Support	Advertising
	Search engine optimisation (SEO)
	Telemarketing
	Generating leads
Software development and technology	Software development
	Web development
	Web crawling and scraping
	Data science
	Game development
	Virtual reality
	Creative writing
Writing and Translation	Technical writing
	Academic writing
	Article or blog writing
	Translation
	Copywriting and editing

Figure 5: Platform work tasks

The highlighted ones are the work types on which our analysis aims to focus, high-skilled professional works which do not necessarily require in loco physical presence. In particular, some examples of these high-skill workers looking for part-time, project-based engagements can be marketing specialists, scientists, lawyers, designers, editors, and even C-suite talent such as CHROs, CFOs, and CEOs.

Circling back around to the above mentioned **Online Labour Index (OLI)**, we can get a quantification of the proportional magnitude of each main type of online work on the total online work tasks and trace the trend over time [http://ilabour.oii.ox.ac.uk/online-labour-index/]. Unsurprisingly, software development is the most diffused work in online labour market, while professional services are the least common: high skill professional profiles

represent nowadays a small percentage of the work outsourced to independent freelancers, due to the higher complexity implied in the control and coordination if compared with more low-skill tasks, being the impact more relevant from a strategic perspective.
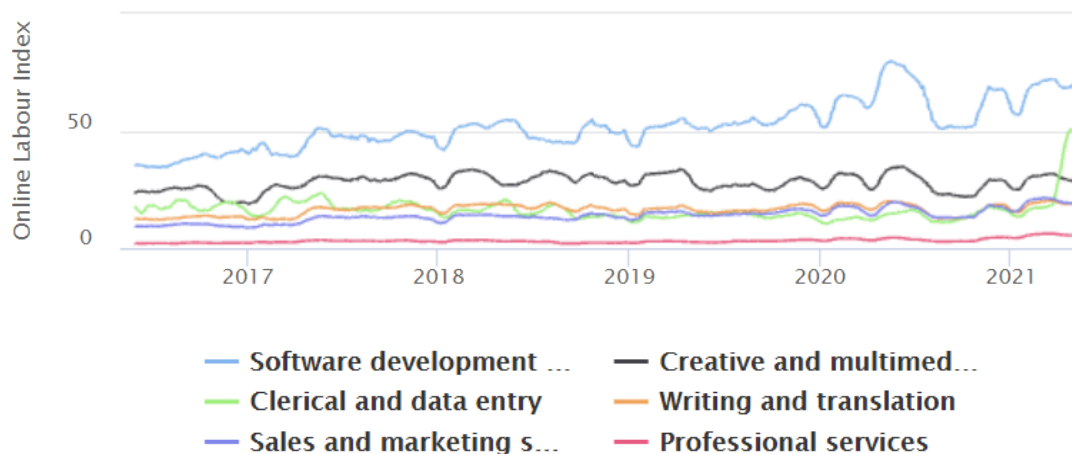
Figure 6: OLI Index evolution for category of work

Similarly, these results are showed in the research developed by Fuller: the usage of talent platforms is mostly concentrated in few areas like IT. However, the survey carried out shows that companies are tapping highly skilled freelancers for all functions in the organization including R&D, marketing, strategic planning, and finance.
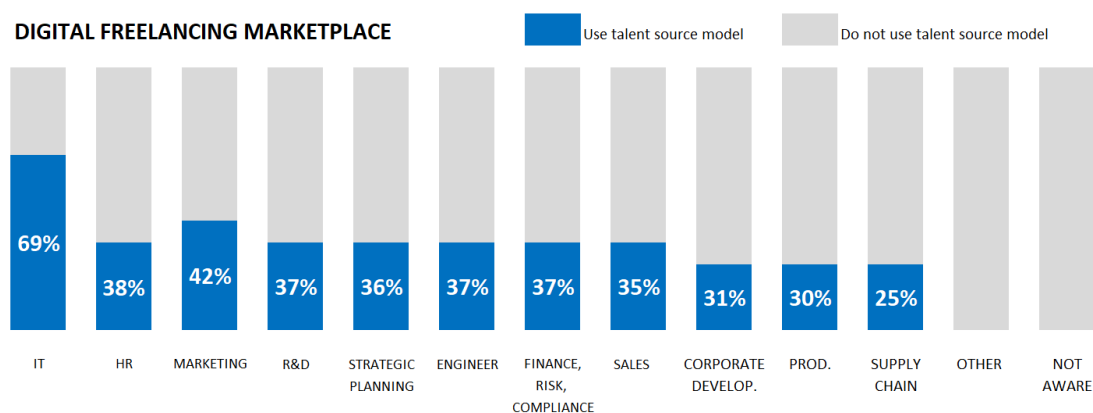
Figure 7: Use of digital talent platforms per business function (Fuller et al., 2020)

This research thesis will focus on what have been defined as high skilled freelancers. This choice was driven by three main factors. First, the adoption of such kind of external workforce has a stronger impact on the strategy of the company, being them involved not just in manual and operative tasks (example: data entry, transcription…), but also as strategic consultants, temporary managers and in other categories of activities which require specific know-how. Secondly, their adoption implies a higher effort in coordination and integration, being them involved also in core processes and requiring the collaboration with internal resources. Third, being an emergent topic, most of the studies focus on micro-task platforms and those that can be defined as "gig workers". Thus, this area is still underdeveloped in academic research.

1.9. New approach to freelancing

Freelancing has been for a long time a useful tool from which companies and organisations had the chance to benefit. A few leading companies are now rethinking their whole approach to find and using talents, embracing more flexible and blended workforce models. The deployment of such freelancers is now widespread and, according to Fuller, companies are trying to get the full potential from these resources, trying to involve them not only for tactical purposes but also under a more strategic perspective. In particular, while the most common practise was till recently to use digital platforms mainly to fill high-skill gaps in a hurry and engage with platforms as an ad hoc response to urgent problems, now few companies are developing a more cohesive approach to incorporate highly skilled freelancers in their business strategy. The main idea behind this new approach is, instead of hunting for full-time employees to join the organization, to search for part-time talent outside the company. To do this, firms rely on a new crop of technology-led companies such as Toptal, Catalant, Upwork, and Fiverr, which act as intermediaries.

Almost 90% of business leaders, among the 700 interviewed in Fuller's research, 2020, reported talent platforms would be somewhat or very important to their organization's future competitive advantage.

As a response, digital platforms are reacting by expanding the services offered and building a slew of capabilities. Always reported by Fuller et al., 2020, an example is represented by Catalant Technologies, which started out in 2013 as HourlyNerd. Initially, HourlyNerd connected small and midsize businesses with MBA candidates with a background in management consulting. By 2016, HourlyNerd had outgrown its original premise, providing enterprise offerings to 500 global companies.

1.10. Related issues to be managed by companies

Many implications follow the choice of relying on external freelancers and on e-lancers. To frame the discussion, seven thematic areas were highlighted: Strategy, Organisational Levers, Relationship, Intermediation, Output Quality, Quality of Work, Security. Each of these is directly or indirectly linked to or impacted by the others. For example, the Quality of Work for freelancers, comprising aspects related to the stressors and motivators above mentioned (level of engagement, social isolation, career precarity, compensation), has a degree of impact on the quality of their work outcomes, namely Output Quality. In turn, the Output Quality depends on Intermediation issues, like the efficacy of hiring/matching processes or the capacity of delivering timely and quality feedbacks as well as how the employer – worker relationship is managed, and influences Relationship issues company acquisition and retention rates on platforms. The macro-thematic areas outlined can be defined more in detail as follows:

- *Strategy*: the highest conceptual layer, including all relevant performance measure which represent also drivers for companies to rely on freelancers. Skills and competence management, with the possibility of rapid up- and re-skilling, the search for speed and flexibility, with the need and possibilities to manage seasonality or to reduce time-to-market, activities and processes lightening and finally cost variabilization are the main factors encompassed.

- *Organisational Levers*: areas of decision and intervention which determine the efficacy and effectiveness of the outsourcing relationship. The precise quantity of

freelancers to be 'hired' and the right timing to hire them fall into this macro-area, as well as the extent to which companies are able to manage and exploit external knowledge, to perform processes Parcelization and hybrid teams' coordination. These matters are focal in the framework since not only they impact on the strategic measures of performance, but they are linked to many other themes. A correct process Parcelization, for instance, can increase the level of engagement for freelancers, the efficacy of the matching algorithms of platforms thanks to the correct level of specificity of a task, and could facilitate the managing of hybrid teams. Hybrid teams coordination instead is strictly linked to the quantity of external freelancers present and to the practices of external knowledge management, but what is more important has a great influence on the Output Quality.

- *Relationship*: it regards all relationship issues involving as one of the sides considered the digital platform (or any alternative intermediary). The main points here are company acquisition and retention on one hand, freelancers' acquisition and retention on the other. The first one is clearly impacted by the Output Quality, while the latter more by the Quality of Work (perceived by freelancers).

- *Intermediation*: it includes the effectiveness of the matching mechanisms, influencing Output Quality, the quality of communication and of feedbacks delivery, impacting both Output Quality and Quality of Work, and in general the management and intermediation of the employer-worker relationship thanks to the accessory services offered by the platform or intermediary. This latter factor as anticipated has a huge influence on the quality of coordination of hybrid teams.

- *Output Quality*: the fitness between requirements and expectations of the company outsourcing and the characteristics of the output work performed by the outsourced resources.

- *Quality of Work*: the perceived engagement, compensation, stability etc. for freelancers, as explained above.

- *Security*: legal and regulatory aspects encompassing power asymmetries and lack of representation. These aspects have a weight on some drivers of Quality of Work like earnings and career precarity.

1.11. Problematic questions of the new approach

This new workforce paradigm does not come without criticalities. There are some caveats for all the actors involved. Freelancers face a series of unresolved problems, as discussed in the dedicated paragraph. Anyway, there are risks also for firms. The main ones refer to trust issues, coordination of internal and external workforce, reliability (in terms of substitutability for example in case of illness and of liability in case of legal litigations), loss of control of knowledge and on the way activities are performed, protection of Intellectual Property and other sensible business information, in potential trade-off with a detailed and effective description of the tasks to e outsourced, and the risks of interjection of governments or other institutional players in favour of freelancers in case of coalitions and strikes. Policy makers face the challenge of filling the legal void elaborating new regulations and removing the fuzziness on the boundaries of online outsourcing as form of work. Finally, platforms' user base is hindered by the very low switching costs, implying the need to develop lock-in mechanisms both for freelancers and companies, fostering long-term relationships. Also, the risk of interjection regards platforms too.

1.12. Why it matters: thesis objective

In the last decade, the nature of the workforce has been subject to several changes: for instance, as already reported, there has been a phenomenal rate of growth in the number of independent workers or freelancers, particularly in developed countries. The proliferation of digital technology platforms in the last five years has allowed companies to experiment with hiring freelancers, and in the process, create a new "on-demand workforce" model. Given its recent growth, this area is still underdeveloped in academic research. Hence, it is fundamental for companies and organization to understand the main implications that the usage of freelancers can bring, and the main best practises to adopt in order to fully exploit the potential of these resources. Thus, a first objective of this thesis is to investigate on this topic, aiming both to provide some useful tools and considerations to practitioners and to enrich the extant research and studies gathered till now. As already stated, the new dynamic

environment in which companies are competing is now forcing them to adopt new business models and new strategies to remain successful in the market. For organizations competing in volatile environments, strategic agility is the key for sustaining in the market and leveraging on digital platform can represent a source of value and a way companies can foster agility: emerging digital talent platforms are making it possible for companies to mould their workforce in real time to respond to changing market needs. Aim of this research thesis will be to stress the implication of the use of freelancers and its impact on the concept of agility, and specifically, on the concept of workforce agility.

2. Literature review

2.1. Introduction

In the following paragraphs, the description of the main findings coming from the academic state of art and the grey literature are described. The aim of this section is to integrate insights coming from both kinds of sources, in order to deepen a more comprehensive knowledge for the thesis purpose. The aim of the literature review carried out is, after having briefly framed the context of workforce ecosystem, to provide a general overview about the world of digital platforms and e-lancers, highlighting the main features, characteristics and known challenges.

Subsequently the main managerial implications are taken into consideration, in order to point out which are the main factors and drivers to be taken into account while dealing with e-lancers, but also more in general, with freelancers.

2.2. Data sources

The first step was to search and select the electronic databases from which to collect the articles. The databases included in the study are *Scopus*, *Google Scholar* and *Emerald Insight.* These were the primary sources of data considered. A ranking criteria's source that has been used to evaluate sources' relevance and reliability is the classification by AiIG (Associazione italiana Ingegneria Gestionale) *Classificazione riviste rilevanti AiIG 2020*. The totality of the primary sources thus considered includes specialist journals, conference proceedings and academic papers. In the end, as secondary source, also grey literature sources, such as reputed consulting companies or associations (*BCG, McKinsey Quarterly, Deloitte*, etc.), have been considered for the analysis, alongside interviews with 'privileged witnesses': academic professors informed on the matter, in particular Anna Soru and Ivana Pais. They provided some useful insights and suggestions for additional sources (academic papers).

2.3. Methodological review process

The process through which it has been possible to create a relevant article database consists of a multiphase method, described below and summarized in *Figure 8*.

In performing the analysis through the different online tools, some criteria have been considered. In particular, to give the research a general direction, the following requirements have been set up:

1) Language: English or Italian;

2) Time period: from 2016 to 2021;

3) Area of interest: Business and management;

4) Document Type: All;

5) Access Type: All.

Then, in order to go more into detail, different keyword combinations *(Table 4)* have been utilized, crossing couple of synonyms of different **key semantic areas** to cover all the possible combinations. This process of **cross-coupling** has been performed with a MS Excel simple model. The searching process underwent different steps: first, all the possible keyword combinations have been used to perform queries on **Scopus**, and over the 2795 results only 153 were considered relevant for the study, after having performed a *Title and Abstract Screening*.

In order to establish an objective and as much as possible repeatable methodology to decide whether a paper was to consider relevant or not, a **two-step approach** has been designed. First, each of us looked through all the searches' results and ranked on a scale from 1 to 3 each paper for relevance on the basis of the title and abstract. Secondly, a combined weight has been assigned to each paper by summing the two scores given, thus obtaining a comprehensive ranking system of relevance where each paper could have 2 to 6 *relevance points*. Subsequently, only those scoring higher than 4 have been considered sufficiently pertinent to the scope of the thesis and included in the dataset. For the rank score

assignment, the relation to the topic of high-skill freelancers, corporate strategy, workforce agility and new workforce ecosystem has been considered as a key attribute: the papers not showing a relevant link with these topics have been graded with a low score or deemed as out of scope.

Then, a similar search and filtering process has been repeated on **Emerald Insights**, and only the papers which had not been extracted yet from Scopus were added to the database. As the literature review proceeded, **more specific keywords** were found to be relevant and added to the first ones considered, in an iterative process. Finally, the same was performed on **Google Scholar** considering only the first 3 pages of results as discretional threshold.

Keyword	Synonyms/related terms used
Freelancer	Self-employed
	Free agent
	freelance
Crowd work	Crowd working
Platform	/
Autonomy	/
High skill worker	High skilled worker
	High skill workforce
	High skilled workforce
	Highly skill worker
	Highly skilled workforce
Ecosystem	/
On demand workforce	On demand worker
	On demand employee
	On demand staff
	On demand employment
	On-demand economy
	On-demand workforce
	On-demand worker
	On-demand staff
	On-demand employee
	On-demand employment

Integration	Combination			
	Incorporation			
Workforce strategy	HR strategy			
	Job strategy			
	Workforce planning			
	Employee value proposition			
	Workforce value proposition			
Workforce agility	/			
Trends	Future			
	Shifts			
	Evolution			
	Change			

Table 4: Keywords and related synonyms

SCREENED PAPERS

	EMERALD	GOOGLE SCHOLAR
"e-lancing" *OR* "elancing"	25	30
"freelancer" *AND* "platform" *AND* "strategy" *AND* "agility"	23	30
"on demand" *AND* "talent" *AND* "ambidexterity"	19	30
"agility" *AND* "ambidexterity" *AND "freelancer"*	5	30
"ecosystem" *AND* "workforce" *AND* "platform" *AND* "freelancer"	47	30
"agile" *AND* "infrastructure" *AND* "freelancer"	33	30
"crowdwork" *AND* "strategy"	49	30
"ambidexterity" *AND* "crowdwork"	1	30
"ambidexterity" *AND "crowd"* *AND* "freelancer"	2	30
"ambidexterity" *AND* "crowd" *AND* "talent"	44	30
"outsourcing" *AND* "freelancer" *AND* "platform"	80	30

Table 5: Results of the first search and screening phase

Finally, the last and most specific keywords considered were the **proper names** of the most popular digital labour platforms used in the market:

Platform name used as keyword in search	N of the search results	N of results considered relevant for the study	N of relevant results not yet included in the papers' dataset
Upwork	22	5	3
Freelancer.com	1	1	0
Fiverr	4	0	0
Guru	56	0	0
Envato	1	0	0
Kaggle	40	0	0
Toptal	2	0	0
Catalant	0	0	0
Innocentive	9	2	0

Table 6: Proper platform names used as further keywords

To include in the analysis also **grey literature** sources of renamed institutions or consulting firms, queries on Google were performed considering the final set of keywords. In this way, a starting papers database has been formed, containing many details about each of the articles selected (e.g. title, authors, year, journal, findings, etc.).

To these articles were added others found with the **cascading** practice, performing an analysis of the acknowledgements of the screened articles: sources used or cited by some of the papers under study.

Thus, the final number of articles, papers and other publications analysed as roots for our study was **111**, as shown in *Figure 8*.
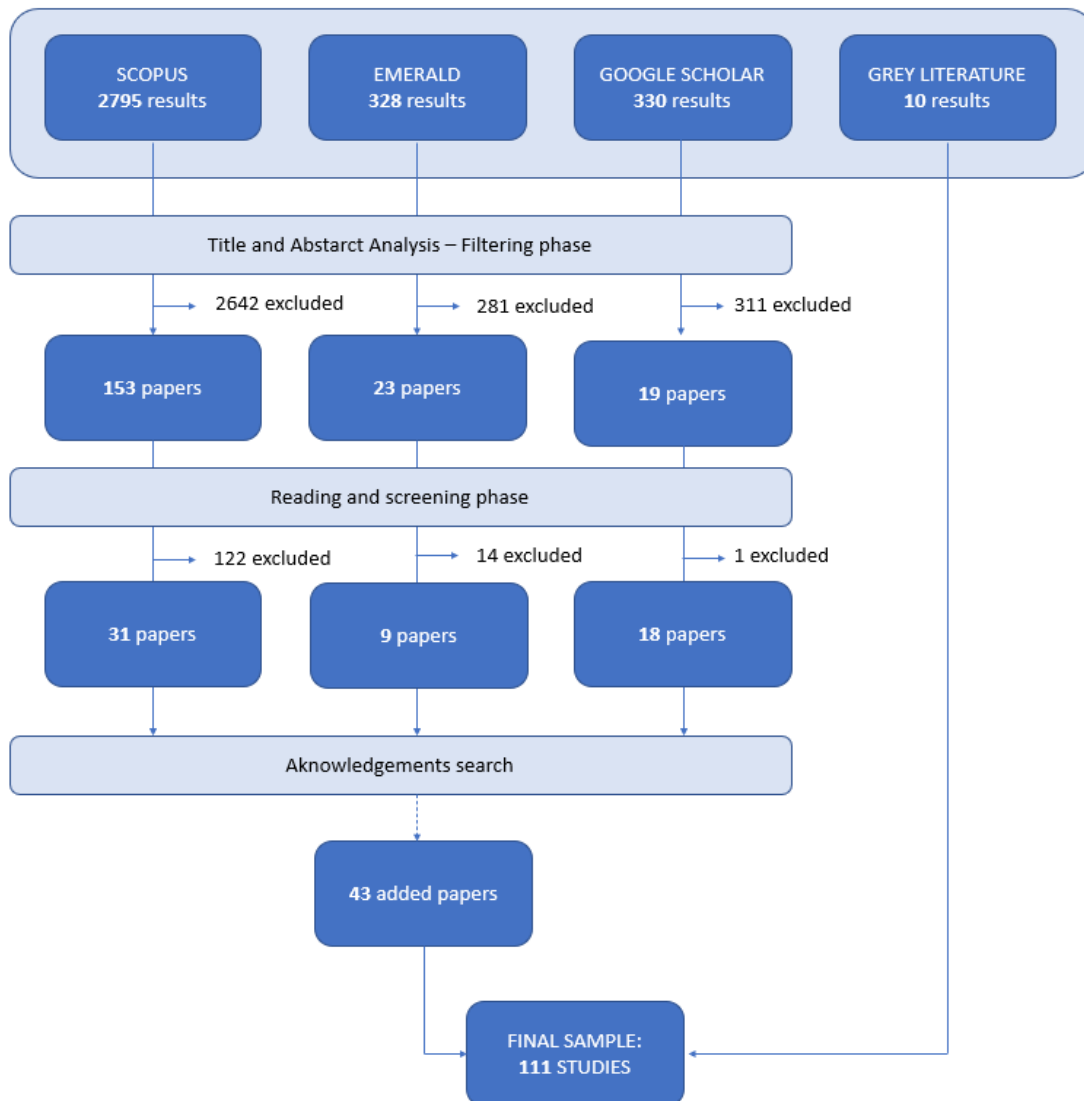
Figure 8: Sum up of the search and screening process

2.4. Findings

2.4.1 Workforce ecosystem

As anticipated in the [introductive chapter](#), the need to react to a faster and dynamic market is forcing companies to think new business models and at the same time different ways to organize their resources. Workforce ecosystem is a concept rising from these considerations, and this new trend has seen scholars and researchers trying to investigate with greater attention on the so-called **open talent continuum**. Different are the **definitions** that can be found in the literature about **workforce ecosystem**:

"We define a workforce ecosystem as a structure focused on value creation for an organization that consists of complementarities and interdependencies. This structure encompasses actors, from within the organization and beyond, working to pursue both individual and collective goals"	Altman et al., 2021
"A collaborative, transparent, technology-enabled, rapid-cycle way of doing business"	Liakopoulos et al., 2013
"Work ecosystems are defined as emergent sets of dynamic formal and informal work arrangements involving human and non-human actors, interacting as complex interconnected systems"	Lusch et al., 2016; Vargo & Lusch, 2004
"An ecosystem refers to a group of interacting, yet semi-autonomous entities that depend on each other's activities and therefore are somewhat hierarchically controlled"	Wareham et al., 2014; Jacobides et al., 2018

Table 7: Definitions of workforce ecosystem in the literature

Overall, the main element emerging from these statements is the presence of a **network of players**, acting to pursue both individual and collective goals and **interacting** with each other **to create shared value**: each member participating in this network is dependent on the output and results of the others, thus requiring a collaborative and transparent interaction among them. In this new framework the value is created by the continuous movement of actors in and out of the system that enables different types of work-arrangement for various stakeholders (Mahesh et al., 2018), which could be formal or informal in their nature.

Actors embedded in this complex system range from the traditional full-time employees to what can be defined as alternative workforce (Ashford et al., 2007), including independent contractors, gig workers, and the crowd. In this context, the term *alternative work arrangements* is used to capture the variety of different manifestations of work seen in today's workplace, from high-skill freelancers who chose not to be employed in order to have greater work-life flexibility, to low-wage service workers who are on call for unpredictable work hours and barely able to make a living, to workers with long-term employment contracts but who work where they want when they want (Spreitzer et al., 2017). A remarkable attempt was made by Deloitte to define the main actors involved in the network.

Closed ←――――――――――――――――――――――――――――――――→ Open

BALANCE SHEET TALENT	PARTNERSHIP TALENT	BORROWED TALENT	FREELANCE TALENT	OPEN SOURCE TALENT
Full-time, statuary employees of the company, which is in charge of all the carrying costs of these employees	Employees that are part of a partnership or joint venture that are on a related balance sheet	Employees who are part of the company's value chain but who reside on someone else's balance sheet	Independent workers hired by companies for specific and temporary projects	People part of a community who provide you service for free. For instance, those who answer questions about your products in an open source help function

Figure 9: Actors involved in the workforce ecosystem

Trying to understand which the main active resources are in this network will be fundamental for companies and organizations, allowing the creation of new talent models enabling them to access and engage the full spectrum of talent.

This new paradigm of workforce ecosystem makes necessary to highlight the managerial implications, representing a substantial departure from the traditional **employee-organization relation (EOR)**, which imply a **shift** in the nature of the relationship between service workers and their work arrangements.

Mahesh et al., 2018 describes traditional EOR as an input-process-output system where workers with specialized skills and experiences (i.e. human capital) and idiosyncratic traits, values and motives (i.e. individual differences) join organizations due to the reciprocal processes of attraction and selection. Upon joining organizations, they are subjected to formal and informal socialization processes that increase person–organization (PO) fit as well as inducements that motivate them to contribute to the organization in the form of productive and discretionary work. The same author depicts this system as shown in *Figure 10*.
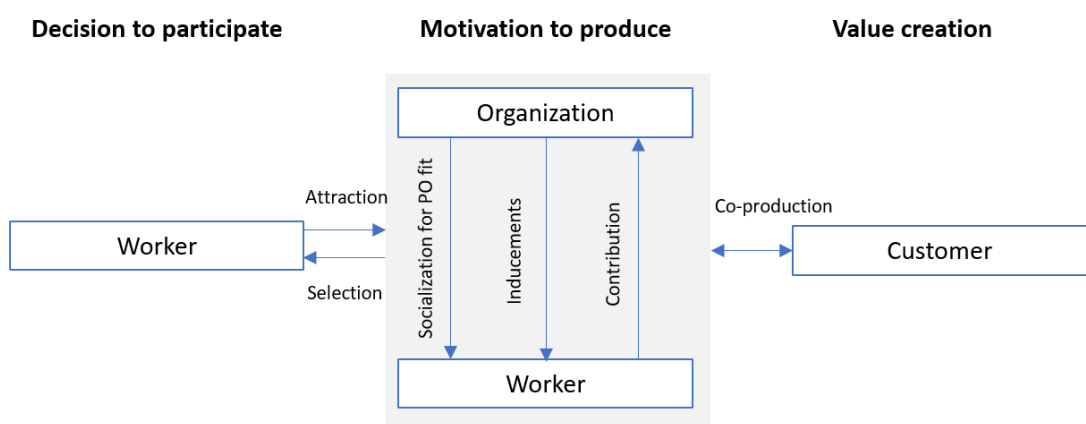
Figure 10: EOR as input-process-output system (Mahesh et al., 2018)

In contrast, **WER (worker-ecosystem relation)** is viewed as a complex interrelated process where workers possessing individual differences (values and traits), human capital

(knowledge, skills, abilities and experiences) and access to social capital (knowledge embedded in relationships) choose to participate in value creation with one or more ecosystems within an institutional environment that enable or hinder the formation of relationships (Scott, 1995). In this perspective, workers assume the form of free agents, whose actions are governed not by the hegemony of an employer but by the relatively unfiltered effects of institutional structures (Mahesh et al., 2018). The main elements of WER, according to Mahesh et al., 2018, are shown in *Figure 11*.
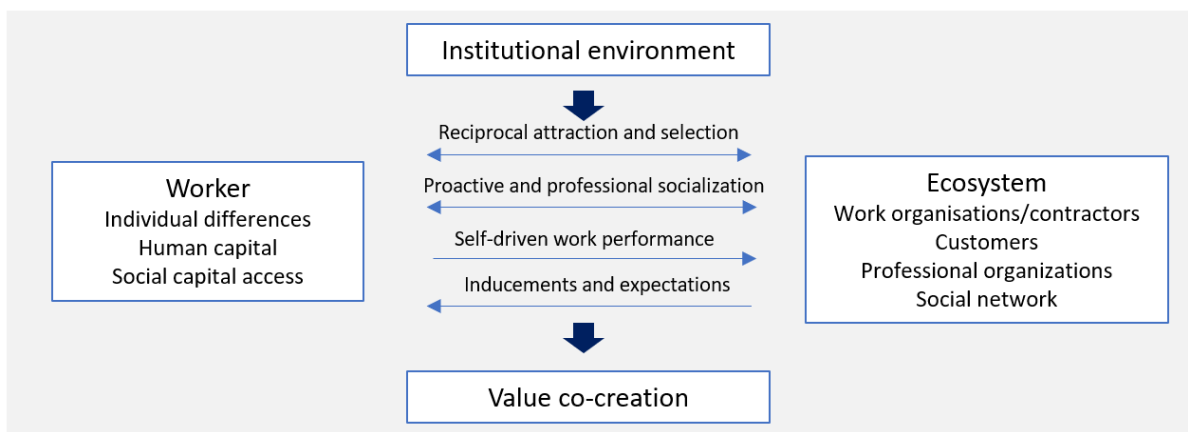
Figure 11: Main elements of WER (Mahesh et al., 2018)

2.4.2. Platform definition

The aim of this paragraph is to map the main definitions that can be found in academical papers and grey literature about digital labour platforms, in order to identify the main features and the key attributes and so to rationalize the plethora of statements coming from the different authors.

Journalists, economists, and academics have written about the difficulties of defining the new and continuously evolving economy, which revolves around online platforms, generating different terminologies.

Digital labour platforms (known also as e-Lancing platforms or related to the term of online labour markets (OLM) (Horton, 2010)) may be considered an **instance of multi-sided platforms** (Schmidt, 2017; Shafiei et al., 2019), functioning as **online markets that facilitate exchange among various types of stakeholders** who are not otherwise able to transact with each other (Gawer, 2014): the actors involved in the transaction are the requester (which can be either a firm or an individual consumer), that post for the execution of a certain task, and an independent workers (acting as a freelancer) who execute such outsourced tasks. The third actor involved is of course the platform, which, as remarked by Schmidt, 2017, plays an intermediary role to coordinate the supply and demand aspects of a market. For instance, labour platforms such as Uber or TaskRabbit connect customers with freelance or contingent workers who perform discrete projects or assignments (Farrell & Greig, 2016). Service and tasks mediated by this marketplace can be physical as well as digital in their nature: for digital tasks, the entire activity is carried out online from initial instruction through to completion and evaluation; physical tasks are managed and mediated digitally (often via an app) but carried out offline (Howcroft & Bergvall-Kåreborn, 2019). In the Eurofound report (De Groen & Maselli, 2016) the general **key attributes of digital labour platforms** are highlighted and summarised as follows:

- Paid work is organised through an online platform.
- Three parties are involved: the online platform, the client and the worker.
- The aim is to carry out specific tasks or solve specific problems.
- The work is outsourced or contracted out.
- Jobs are broken down into tasks.
- Services are provided on demand.

Other related terms that are usually put aside the concept of digital labour platforms and that can be found in the literature are the concepts of "crowdsourcing" or the concept of "sharing economy". The term "crowdsourcing" was first coined in 2006 by Howe (Howe, 2006), who defined it as a process of outsourcing a work to the general crowd people (individuals, formal or informal teams, other companies (Durward et al., 2020)) in the form

of an open call via an online platform. In particular, it describes an emerging, open, and Internet-based collaborative work model that has quickly becoming popular with the Internet. Different are instead the definitions of "sharing economy" proposed by scholars and practitioners: "the sharing economy" uses digital platforms to allow customers to have access to, rather than ownership of, tangible and intangible assets (Hawksworth & Vaughan, 2014). In this case it mainly refers to crowdwork based on real-world exchanges (Howcroft & Bergvall-Kåreborn, 2019).

Despite similarities with the concept of digital labour platform as the deployment of a digital platform serving as an interface accessed through the Internet and the connection of people, companies and organizations potentially placed far from each other and interested in the exchange of ideas, know-how or tangible assets, the objectives and the managerial implications resulting from the deployment of these forms of online markets are deeply different. For this reason, the concept of "crowdsourcing" and "sharing economy" will not be subject of this study.

2.4.3. Platforms' classifications

The current section summarises the approaches of scholars to classify platform work. Platform work may take many forms due to the high number of drivers that characterised the different platforms active in the market, and difference is the business model upon which each of them builds its competitive advantage. The following schema (*Figure 12*), developed by Florisson et al., 2018, aims to gather all the different classifications drivers. What becomes clear is the wide variety of elements (27 in total) and their manifestations – and accordingly their potential combinations.
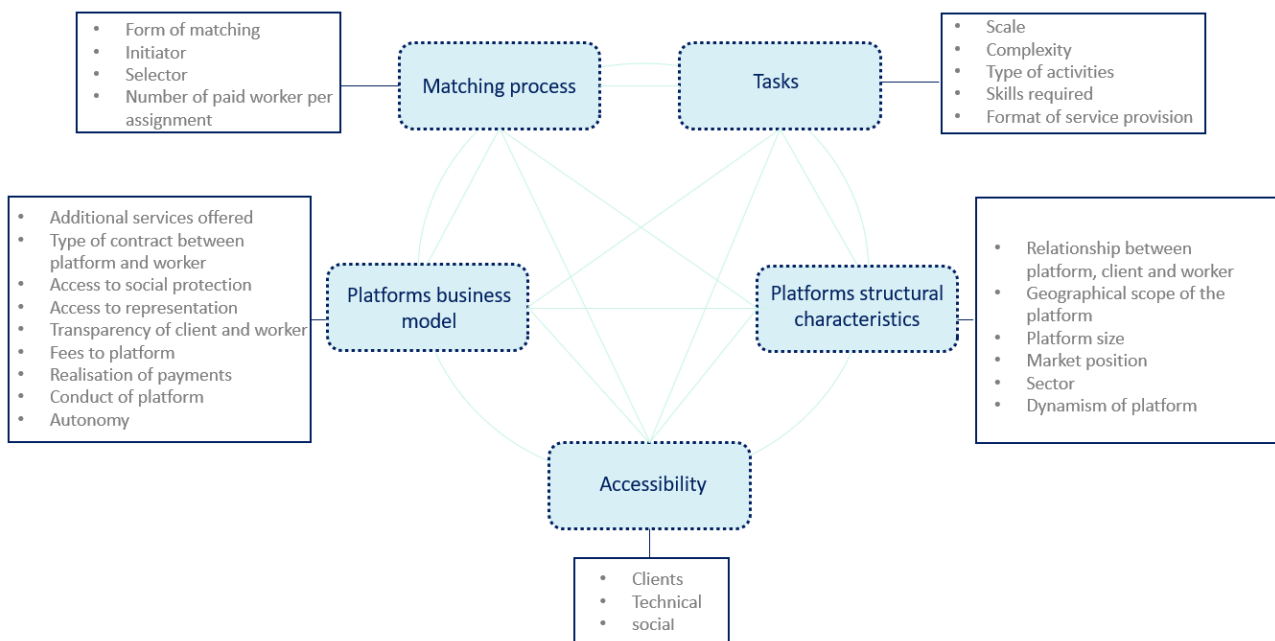
Figure 12: Platforms classification drivers (Florisson et al., 2018)

Each element of the above framework is discussed in the following table (*Table 8*):

Matching process	
Form of matching	Workers can be assigned to a specific task or project after participating to a competition/contest or can bid for a job offer (Florisson et al. 2018; De Groen & Maselli, 2016): then the bid is evaluated on the basis of the worker reputation or its qualification or is assigned to the worker which apply for the job offer first (Florisson et al., 2018; Jäger et al., 2019)
Initiator	Requesters, who may be private companies or individual consumers, can initiate the transaction by posting requests online. Workers can also initiate the transaction by offering products, services or skills (Howcroft & Bergvall-Kåreborn, 2019)

Selector	The assignment of the task/activity to the worker can be mediated by the client, the platform (by algorithm or manually), the platform worker or by a third party/panel (Florisson et al., 2018)
Number of paid worker per assignment	A contest organised for the assignment of a task/project can have one winner, several winners or all the participants (Florisson et al., 2018)
Platforms' business model	
Additional services offered	Digital labour Platforms may provide a wide range of complementary services as matching or training for workers. Such topic will be subject of a dedicate chapter [chapter 2.4.4.]
Type of contract between platform and worker	Employment relationship/labour vs law civil law contract (Florisson et al., 2018)
Access to social protection	The main alternative are full access, partial access or no access. (Florisson et al., 2018)
Access to representation	The main alternative are full access, partial access or no access. (Florisson et al., 2018)
Transparency of client and worker	Anonymous (This is commonly found on micro task platforms such as AMT and in design contests such as on GoPillar (Schmidt, 2016), or disclosed (for example, Upwork and Freelancer facilitate the sharing of personal information between participants to stimulate accountability and good behaviour. (Florisson et al., 2018)
Fees to platform	The income can be collected by the platform at the first point of contact though the registration, other demand payment after the successful task completion, other demand payment only for the successful matching or others are paid through commission fee on the monetary transaction from client to worker (Aloisi(a), 2015; Leimeister et al, 2016)
Realisation of payments	The payment can happen directly between client and worker or the platform can be used as a deposit.

Conduct of platform	Formal or informal mechanism of control (Shafiei et al., 2019), Adherence to specific codes of conduct (for example, anti-discrimination) or Ratings systems (Florisson et al., 2018).
Autonomy	Hierarchy-like (low autonomy) (working time restrictions imposed by clients/platform, price setting determined by platform (standard or minimum prices) or client)
	Market-like (high autonomy) (worker free to choose when and how long to work, price setting determined by worker) (Jäger et al., 2019), like in the case of Braintrust
Accessibility	
Clients	The requester can be either a firm, an individual consumer or a public organization (Florisson et al., 2018).
Technical	Platforms accessible to any worker who registers are considered open. However, many platforms offer one or other variety of subscription plans to restrict or limit the technical accessibility of workers (Florisson et al., 2018).
Social	open or restricted accessibility (Florisson et al., 2018)
Platform structural characteristics	
Relationship between platform, client and worker	Platform owner ≠ client, undefined crowd of clients and workers Employer-owned internal platform (platform owner = client, defined group of workers)
	Company-owned outsourcing platforms (platform owner = client, undefined crowd of workers)
	Cooperative platform structure (client = members of the platform, undefined crowd of workers) (Florisson et al., 2018)
Geographical scope of the platform	Platforms can be dedicated to serve the regional/national demand but also the international one
	The platform size can be measured in terms of number of clients, number of workers, platform revenues or number of tasks or activities

Platform size	(Florisson et al., 2018). According to these attribute, several solution ranging from "small platforms" (less than 1 million EUR in turnover and fewer than 10.000 customers and service providers) to "very big platform" (100 million+ EUR in turnover and 1 million+ customers and service providers) (Fabo et al., 2017)
Market position	Monopoly, Oligopoly or competition
Sector/occupation	Platforms can be specialized in one area, like Professional tasks, Clerical and data entry, Creative and multimedia, Sales and marketing support, Software development and technology or Writing and translation (Kässi and Lehdonvirta, 2016), or can gather job offers belonging to different sectors. Household, animal, tutoring, gardening, transport, computer science, babysitting (De Groen & Maselli, 2016) are other examples of sectors that may be served.
Dynamism of platform	Platforms can be classified according to their capability to change to the external environment: we can find stable platforms and dynamic platforms
Tasks	
Scale of tasks	Some platforms enable clients to split an activity into a multitude of micro tasks, which are then sourced to the crowd. Micro tasks are highly standardised, repetitive, and require low to medium skills levels (Florisson et al., 2018; , De Groen & Maselli, 2016; Shafiei et al., 2019). Platform work may also involve larger scale tasks or projects. In this case, client and worker may engage in a long-term relationship. (Florisson et al., 2018; De Groen & Maselli, 2016).
	Tasks can be classified as routine tasks, complex tasks or creative tasks (Hoßfeld et al, 2012; Rouse, 2010). Routine tasks are simple, non-innovate activities that require little effort, little prior knowledge und usually only a few clicks to be completed. Complex tasks are moderately innovative, require more effort and may involve content

Complexity	creation such as writing blog entries, commenting or writing reviews about products. Tasks with the highest level of complexity are defined as creative tasks (Shafiei et al., 2019): they require prior knowledge, are sophisticated or innovative in character, require due effort and may require idea creation
Type of activities	Generalist or specialist (Florisson et al., 2018).
Skills required	Job offers posted on digital labour platforms may require low skill (activities are manual tasks and tasks that may be performed by anyone without requiring specific know-how (Huws, 2016(a)), medium skill (tasks include clerical work, such as data entry, customer service or accounting) or a high skills levels (such as professional or specialist activities, for example, the provision of legal services or accountancy) (Aloisi, 2015(a); De Groen & Maselli, 2016)
Format of service provision	Services offered though the platform may be delivered on-location or online (De Groen & Maselli, 2016)

Table 8: Platforms classification drivers

2.4.4. Functionalities of platforms

As already stated, the main role of the platform is to act as an intermediary aiming to connect requesters (i.e. organizations or consumers) with on-demand workers.

Hence, the key purpose of intermediary platform firms is thus to match the supply and demand for labour by connecting workers and requesters who are (or may be) remote from each another, yet wish to transact. Accordingly, and in line with the absence of an employment relationship, on-demand workers are not employed by the intermediary platform firm but are treated as customers or end-users of the intermediary platform firm, similarly to requesters (Abubakar et al., 2017).

First of all, in order to understand how these intermediaries operate it is fundamental to introduce the concept of "**governance by platforms**" (or "crowdwork platform governance")

which refers to the platforms' ability to mediate between sides, moderate content, coordinate and control the workflow (Gillespie, 2017). Crowdwork platform governance rests on two key aspects: **control and coordination** (Shafiei et al., 2019). Control includes the ways in which the platform owner monitors and oversees the processes inside the platform (Schmidt, 2017): one way through which they can provide a general directive control is the definition of standards, policies and rules that guide the behaviour inside the platform itself and enable the monitoring of e-lancers and job providers' performance. Other forms of control are represented by mechanism such as quality control and reputation control (Schreieck et al., 2016): such mechanisms aim to monitor controlees' behaviours and reward them according to the degree to which they follow the procedures (Kirsch, 1997) and may be executed through the implementation of algorithms due to the absence in platform firms of line managers in charge of supervising the efforts of workers. In this case literature talks about formal control (Eisenhardt, 1985). Informal control, conversely, can be reached by minimizing the divergence of preferences between organizational members (Eisenhardt, 1985). In this case, members collaborate in the accomplishment of organizational goals because they have internalized these goals.

Concerning the other soul of platform governance, coordination: the platform plays an intermediary role to coordinate the supply and demand aspects of a market (Schmidt, 2017). Coordination in digital labour platforms includes mechanisms for attracting both job providers and workers through managing dependencies between crowd work activities. For example, in digital labour platforms, complex jobs require task decomposition into subtasks, where two or more workers may be working on the same task or consecutive tasks, setting limitations on their actions and demands on their interactions with each other. To solve these coordination problems, platforms must engage in additional activities not captured in formal and informal controls.

Abubakar et al., 2017, in their paper, discusses a paradox of intermediary platform firms. So far, we have talked about activities such as the workforce planning to match labour supply and demand, the performance management or the job design, which represent a range of HRM activities (human resource management) that, as previously explained, are examples of core element of crowdwork platform governance. Traditionally, following the literature,

HRM activities are conceptualized as the means to manage and sustain the employment relationship between employee and employer (Abubakar et al., 2017): it is through the actions and experiences of HR professionals, line managers and employees that HRM activities are traditionally viewed as moulding and upholding the employment relationship between an employee and employer. However, it is clear that the particularities regarding online labour market change the conceptual meaning of HRM, since intermediary platforms institute HRM activities but without actually employing the workers. This represents a paradox, as intermediary platform firms simultaneously deny to be formal employers of on-demand workers or responsible for work-related benefits and rights, while they do exercise considerable control over them in terms of time and place of work, pace of work, quality and behaviour.

But besides matching labour supply and demand and those tasks that were previously included in the concept of platform governance (i.e. control and coordination), intermediary platform firms also enable and support a range of other activities. In particular, **complementary services** available in the platform environment are essential for developing a stronger and long-term relationship with freelancers. Consequently, long-term and healthy relationships between platforms and freelancers can provide a basis for higher service quality to clients (Nawaz et al., 2019). The low switching cost makes it easier for freelancers to shift from one platform to another, and this represents one of the main pain points experienced by platforms, as explained in the dedicated paragraph. For most platforms it is fundamental the capability to retain workers in order to generate network effects, which reduces market competition and drives platform expansion (Howcroft & Bergvall-Kåreborn, 2019). Freelancing platforms have to think about these part-time employees because qualified pool of professionals also generate demand for platforms, being the market of platforms subject to network effects, and for this reason intermediaries are now trying to provide best services and benefits to the customers as well as freelancers in order to be competitive in the industry (Nawaz et al., 2020), aiming to maximize overall freelancer value and minimize job stress sources. Other services can be similarly addressed to the requesters (firms or individual consumers).

Several are the examples of ancillary services provided by digital labour platforms active in the market.

For instance, platforms offer various levels of guidance for clients and workers. In particular, Upwork has a **manual for workers** intended to help them secure tasks (Florisson et al., 2018) or providing assistance in the specification and better explanation of tasks (Howcroft & Bergvall-Kåreborn, 2019). Other platforms offer extensive **hiring advice** for clients. Platforms may offer more or less extensive services in **pre-screening**. For example, Upwork sends workers recommendations for tasks recently posted that appear to match their skills and experience (Florisson et al., 2018) aiming to facilitate the matching between worker and job offers, basing on their profile and past activities (Poon, 2019; Abubakar et al., 2017). For clients on Upwork, different subscription plans offer varying levels of pre-screened recommendations and active help with recruitment. Lastly, some platforms offer **training** for workers that is intended to enhance their chances to secure work, for example through developing good communication skills, improving existent skills or learning new skills or provide support in payments, for instance, introducing forms of "upfront payment" (Nawaz et al., 2019), which may help in reducing risks perceived by freelancers (clients have to pay in advance while placing project, and platform transfer money to freelancer upon completion of project).

2.4.5. Platforms' criticalities

Besides providing an overview of all the main features that characterise digital labour platforms, the main paint points perceived by this intermediary have been gathered from the literature, aiming to provide useful insights about freelancing industry.

Lack of loyalty

Very low switching costs make it easy for e-lancers to switch from one platform to another, implying difficulties for platform owners in developing long term relationships with them. The need for strategies of attraction and retention to stay competitive in the market is high,

pushing E-lancing platform to try to provide best services and benefits to the customers (i.e. companies or consumers) as well as freelancers in order to be competitive in the industry. Freelancing platforms have to maximize overall freelancer value and minimize job stress in order to develop stronger relationship with freelancers (Nawaz et al., 2020; Nawaz et al., 2019). The definition of the sources of job value proposition and job stress may help platforms to frame the collateral services offered to freelancers.

Control

Digital labour platforms must ensure the so-called *control system efficiency*, defined as the degree to which the platform verifies that all activities that are carried out (such as the quality assurance) are within the desired range and enables taking corrective actions when needed (Shafiei et al., 2019). The control measures put in place through the platform governance should be designed to protect both the companies involved in the transaction and the workers. Although mechanisms are in place to control fake reviews, it is still possible for laborers to work around these regulations. In addition, there is no way to ensure that workers bidding on tasks have truly obtained the relevant experience or qualifications to complete the task. Furthermore, since the platform itself is not in charge of the design of the proposed tasks, it should encourage companies (i.e. the requesters) to create tasks that allow for autonomy, variety and identity, as well as ensure the provision of constructive feedbacks (Durward et al., 2020).

Overlooked tasks

The selfish behavior of e-lancers may cause the imbalance of task completion, where some hotspot tasks can achieve multiple redundant worker choices, while other non-hotspot tasks do not receive any worker responses (Peng et al., 2018). This kind of issue could be tackled with mitigation actions such as budget-based incentive, consisting in providing extra bonuses to the workers who complete those non-hotspot tasks with sparse responses (Singla et al.,

2015). The main negative effect resulting on the imbalance of applications could be the loss of attractiveness in using the digital platform experienced by the requester.

Regulation immaturity

In the recent years, there has been increasing talking about manifestations and initiatives generated by the dissatisfaction of independent workers who have found their wages and conditions of work unacceptable. Quite often these kinds of situations have resulted in collective actions against the platform companies to bargain for the provision of better employment terms and workers' protection (Poon, 2019). On some occasions, this has led to the need of the intervention of the state, bringing overall to actions in favor of the workers, like the definition of a minimum wage. However, is important to underline that in many cases these forms of dissatisfaction that move workers to act against the platforms are related to a wider theme, concerning the employment status and the existing legal structure regarding online hiring platforms, which does not ensure the same level of representation and safety as that of traditional employees, as will be deeply discussed in the dedicated paragraph. Thus, it is not a topic that is directly linked with the way of functioning of the platforms, but it is to be taken into account since strikes and manifestations could bring to image damages for the platform itself and lower service level.

2.4.6. E-lancers – terminology

In the business world, the term freelancer (or independent worker) refers to individuals genuinely in business on their own account, working alone or with co-owning partners or co-directors, responsible for generating their own work and income, but who do not employ others (Kitching & Smallbone, 2012).

But, while the concept of freelancer is well-known and established, it is necessary to precisely frame the identity of online freelancers and workers.

The advent of the Internet and the growth of computing power, speed, and storage, has led to the creation of new categories of independent workers, allowing people to collaborate remotely and to work together even if they are located in different parts of the world (Poon,

2019). In particular, with the onset of digital revolution fusing various technologies, there has been a significant trend in the growth of on-demand work, bringing out opportunities available on digital platforms such as Toptal, Fiverr, and Upwork. Digital technologies helped facilitating independent work in many ways: tasks were dematerialized and fragmented, subcontractors working outside the company walls could be integrated into processes better, supply and demand could be matched instantly, with algorithms adjusting pricing better. For all of these reasons, digital platforms play a driving role in the rise of independent work (Hazan, 2017).

Coming from these considerations, the term e-lancers (online freelancers) was coined. E-lancers are contracted professionals who provide services on hourly, project or short-term basis for various clients and accessed by companies thought online marketplaces (Townsend, 1998) and they do not work exclusively for one company; e-lancers are those who work online, accessing to job offers by means of a digital labour platform, and they are interviewed and hired without meeting the employer in person (Nawaz et al., 2019); e-lancing platform is the actual place in which potential employers and potential workers meet. It is important to stress that e-lancers are not considered as employees of the platform but they are considered as independent contractors who provide their services for specific task and time (Nawaz et al., 2019).

But, as we have seen in the case of digital labour platforms, there are many terminologies used to describe people taking up independent work for both corporations and individual clients, being the digital labour market (Scholz, 2013) very wide, fragmented and heterogeneous. Thus, for the aim of the study it is fundamental to understand the differences among all the work arrangements operating in the "platform economy" and those forms of "online outsourcing" that can be assimilated to e-lancers.

The most popular terms discussed in the literature were here organised in those that can be considered equivalent to e-lancers, thus potentially being used to explain the same concept, and those which conceptually differ, even if slightly, hence not considered in this study.

Synonyms	
On-demand workers	"Work on-demand" is a form of work in which the execution of traditional working activities is channelled through apps managed by firms that also intervene in setting minimum quality standards of service and in the selection and management of the workforce (Aloisi(b), 2015). The independent contractors offering on-demand services are engaged by companies in their staff when and where they need them, mainly on an ad hoc basis (Fuller et al., 2020).
Logged labour	Workers expected to be available at any time to perform a specific task. It requires the worker to be connected to an online platform in order to obtain work (Huws(b), 2016).
Alternative terms often used with similar meanings but conceptually diverse	
Gig workers	Term referred mainly to low-skilled workers operating as independent contractors accessed through online platforms to which are assigned micro tasks. This concept is associated to microwork, where projects and tasks are broken down into microtasks that can be completed in seconds or minutes and don't require specific skills or competences.
Crowdworkers	New form of employment that 'uses an online platform to enable organizations or individuals to access an indefinite and unknown group of other organizations or individuals to solve specific problems or to provide specific services or products in exchange for payment' (Florisson et al., 2018): although sharing with e-lancers many commonalities, the term crowdworking is mainly used in academical papers to indicate works performed by the "crowd", so not by single individuals. For this reason, the term "crowdworker" will be

	not used as a synonym of e-lancer in this research. However, it is important to underline that this term could be also found in academical papers with a broader meaning, as for example (EU-OSHA, 2015), where the term 'Crowd employment' is used to cover all forms of paid work organised through online labour exchanges.
Crowdsourcers	The concept of crowdsourcers can be well understood taking as reference the definition of "crowdsourcing" provided in the paragraph about platforms' terminology. Both e-lancing and crowdsourcing perform organizational activities that are outsourced by employers. E-lancing constitute of an individual or group of individuals who work independently for a client (Aguinis & Lawal, 2012); while in crowdsourcing, the work is done collectively (Prpic´ et al., 2015). So, this term is closer to the concept of crowdworking, except that crowdsourcing includes voluntary participation of people (without necessarily a remuneration).

Table 9: On-demand labour terminology

2.4.7. Comparison between e-lancers and traditional employees

To better frame the problem under study and to define the borders of e-lancing work, it has been considered appropriate to highlight the differences between e-lancers and traditional employed workers. The main drivers of comparison are summed up in *Table 10* (Urzì Brancati et al., 2020).

	Traditional employee	E-lancer
Type of contract	Explicit (written or oral) or implicit employment contracts that give them a basic remuneration that is not directly dependent upon the	E-lancers work on their own account, and the remuneration is directly dependent upon the profits

	revenue of the unit for which they work	derived from the goods and services produced
Method of payment	Regular wage by the day, week or month	Invoice the client for the work done
Mutuality of obligation	The employer is obliged to offer work, and the employee is obliged to do as the employer requests	Free to accept or turn down work; the client/engager is under no obligation to offer any work, or further work
Control over how work is done	Work is supervised	Self-employed has discretion over how the work is done, as long as standards are met
Risk of loss	Employees are not exposed to financial risk	E-lancers are exposed to financial risk
Place of work	Employees work at the place required by the employer	E-lancers decide the place where perform the job, although some jobs might have to be carried out 'on site'
Time of work	Employees have set times and work agreed hours	E-lancers are (mostly) free to decide when they do the work (in respect of deadlines fixed by the requester)
Type of work	Employees can be moved by their employer from job to job as needed	E-lancers only do the particular job which they agreed to do, until further agreement
Ownership of main assets	Employees do not own the main asset	E-lancers generally own the main asset/business and are exposed to financial risk; own the tools of the trade
Opportunity to profit	May only profit under a bonus or incentive scheme. However, may	Can profit if work is performed efficiently, or

	benefit from tips, or payments from third parties	from re-charging and making a profit on materials
Number of jobs	The worker has one job at a time, or a small number of regular jobs	The freelancer can work for more than one employer at the same time, which reduces his or her dependence on one employer (Alpar et al., 2020)
Worker's role	Employees have a recognised role at the place where he or she works	E-lancers are not a permanent part of the client's business

Table 10: Comparison between e-lancers and traditional freelancers

2.4.8. E-lancers' and freelancers' motivators

Motivations of a freelancer are those intrinsic or extrinsic forces which drive a freelancer to accomplish the job (Abhinav et al., 2017), but also the deeper reasons why a freelancer chooses to be one. There are many drivers pushing workers to choose freelancing. Hereafter are presented the main motivators as discussed in the sources.

Working flexibility

Freelancers can choose their projects according to their skills set and they can also structure the work according to their own schedule, with periods of higher or lower loads.	*Crowdworking can provide opportunities to be able to work flexibly through digital platforms. (Hartono et al. , 2020)*
	On the supply side, many people who value […] flexibility that comes with independent work choose to become freelancers: flexibility (74%) [is] high on the list of reasons for people to go independent. (Poon, 2019)
	Joining freelancing platforms because of the inherent nature of work flexibility (Nawaz et al., 2020)
	Increasing flexibility for workers (O'Farrell & Montagnier, 2020)
	Increased work flexibility (Bush & Balven, 2021)

	Control over time and work because they associate it with flexibility (Sutherland et al., 2020)
Autonomy	
"To be my own boss" is one of the main reasons for people to go independent. People can also work for different job providers at the same time, thus hindering the dependence to one single job provider/'boss' holding the relationship's power.	*Crowdworking facilitates connectivity in the global workforce search network and enables rapid scalability (Hartono et al., 2020)*
	The freelancer can work for more than one employer at the same time, which reduces his or her dependence on one employer. (Alpar et al., 2020)
	On the supply side, many people who value freedom that comes with independent work choose to become freelancers: "to be my own boss" (77%) [is] high on the list of reasons for people to go independent. (Poon, 2019)
	Freelancing is becoming an attractive industry for young entrepreneurs because of independence (Nawaz et al., 2020)
	"lure of 'free agency'" "Freedom from organizational politics"(Sutherland et al., 2020)
Additional earnings	
Often workers see job offers in online platforms as a way to integrate their salary of full-time employees.	*Survey research shows that some participate for additional earnings, others report on the substantial proportion that relies on digital platforms as their primary source of income (Howcroft & Bergvall-Kåreborn, 2019)*
	"Many corporate employees also do part-time freelancing in order to gain more financial, social and technical benefits." "Attractive as [...] an alternative source of income" (Nawaz et al., 2020)
	"[...] sometimes higher pay" (Sutherland et al., 2020)
Work-life balance	
Flexible work hours, vacation, personal time and, above all, the appreciation of their needs as a person are values that the majority of online workers search for and greatly value.	*Mainly concerning millennials: They valued the availability of a healthy work-life balance environment, flexible work hours, vacation, and personal time and, above all, the appreciation of their needs as a person (Poon, 2019)*

	There are also efforts to establish a better work-life-balance, in the sense that work should only be a part of who we are, but financial gain not the ultimate goal to which we dedicate our lives. They can shape their work–life balance actively and can choose freely how many contracts they accept. (Jäger et al., 2019)
Developmental value	
It represents the extent to which a requester and/or a task is attractive because it offers potentiality to learn, grow, advance in career path.	It is defined as "the extent to which an individual is attracted by an employer that provides recognition, self-worth and confidence, coupled with a career-enhancing experience and a springboard to future employment" (Berthon et al., 2005)
Hedonistic value	
It refers to perceived benefits of enjoyment, excitement, fun and pleasure of working in this innovative mode.	*People are increasingly interested in leisure time. They are beginning to choose their job not only based on financial aspects, but also on other factors that might increase their happiness. This world view is steadily gaining importance. (Jäger et al., 2019)*
	It shows that crowd workers are not only motivated extrinsically by financial rewards but also by intrinsic motivation such as social exchange learning the task itself, and. The task characteristics (such as task autonomy and task variety) can create feelings of empowerment and marginalization. Similarly, found that perceived meaningfulness of the performed tasks and a crowd worker's autonomy in solving tasks positively affect effort and working performance. (Durward et al., 2020)

Table 11: Freelancers' motivators

2.4.9. E-lancers' criticalities

This new workforce paradigm does not come without criticalities. There are some caveats for all the actors involved: freelancers, firms, intermediaries – with particular reference to online platforms.

As for freelancers, they face a series of unresolved problems broadly discussed in the literature. The main considered issues are related to quality of work and quality of life, in terms of social, legal and political, psychological protections. They are discussed and summarised hereafter.

Lack of social protection

"Freelancers in developed countries who take outsourcing jobs have contracts that are usually shorter and easier to terminate than regular employee contracts." *"They do not receive any benefits".* *"The contracts are less complex and less clear in legal terms, which makes them more vulnerable"*	Alpar et al., 2020
Bogus self-employment represents a process of legal engineering that shifts risk onto workers who are unprotected by minimum wage legislation or any other workplace entitlements. The working environment is far removed from the traditional understanding of self-employment given many are working for a single employer and have negligible levels of autonomy.	Howcroft & Bergvall-Kåreborn, 2019
conditions of work unacceptable	Poon, 2019
Since the workers are all self-employed, there are no regulations on hourly wages. On average crowdworking platforms, crowdworkers earn less than 3 dollars an hour, while on platforms that require little qualification from their workers, the wages are even less: no regulations protect these workers from bad working conditions and crowdworkers have often no form of social security.	Jäger et al., 2019
Lack of benefits, of job security	Bush & Balven, 2021
There is the added complexity of the existent of false (or pseudo) self-employment or hidden employment where employees are reclassified as self-employed by employer firms seeking to avoid paying employer payroll taxes	Burke & Cowling, 2020
Lack of access to security system	Charles et al., 2020
Their legal classification exempts them from protections afforded	Sutherland et al., 2020
Lack of social protection	Pais et al., 2020
"Problematico in termini di garanzie" *"Favorisce anche condizioni di occupazione multipla che possono generare condizioni cumulative di svantaggio"*	Arcidiacono et al., 2021

Freelancers remain deprived of provident fund, holidays, insurance and pension which are perks of corporate employees.	Nawaz et al., 2019

Power asymmetry

"Crowdworkers are placed in a position of structural disadvantage and if they hope to protect their interests, resistance and collective action are required. Power asymmetries are such that agitating for collective action may pose reputational risks for individuals with the possibility of platform deactivation and loss of income"	Howcroft & Bergvall-Kåreborn, 2019
"There are numerous visible limitations on the potential for introducing protective measures, in particular the fact that constitutional systems allow only employees full trade union access."	Donini et al., 2017
Lack of representation mentioned	Poon, 2019
Low power in conflict resolution	Bush & Balven, 2021
"Dimensione normativa delle piattaforme, che approfittano del vuoto legislativo per proporsi come «regolatori privati»"	Arcidiacono et al., 2021
Reduced chance of collective representation	Pais et al., 2020
Low power against the platform *Low bargaining power*	Graham et al., 2017

High and global competition

"Engagement basato sulle challenge ne esaspera dinamiche concorrenziali squilibrate"	Arcidiacono et al., 2021

Insufficient earnings

"Another challenge is the risk of wage dumping, i.e. the practice of paying lower wages than is usual in an industry"	Jäger et al., 2019
Sporadic compensation	Schwartz, 2018
Income instability	Charles et al., 2020
Absence of a steady stream of work and revenue	Sutherland et al., 2020
"Global competition can lead to accepting low compensation or even working for free, as in the case of online contests in the creative sector"	Pais et al., 2020

"Perdita di autonomia nel fissare il prezzo delle proprie prestazioni" *"Alimentazione di processi di auto-sfruttamento rafforzati proprio da logiche asimmetriche di distribuzione dei task in base al principio the winner takes it all"*	Arcidiacono et al., 2021

Lack of role clarity

Limited communication with the firm	Schwartz, 2018
Absence of organizational support and a long-term relationship with an organization	Sutherland et al., 2020

Psychological isolation

"Workers mainly perform their tasks online and are thus more 2exposed to risks related to posture and visual disturbances as well as to social isolation and stress"	Pais et al., 2020
"Compiti ripetitivi, sottoposti a sistemi pervasivi di controllo digitale"	Arcidiacono et al., 2021
"Il rapporto con gli altri utenti, invece di offrire una dimensione relazionale, diventa un ulteriore strumento per disciplinare e controllare le loro prestazioni lavorative."	

Poor career prospects

"Increase in low-quality jobs, with poor career prospects, and contribute to a segmented labour market"	O'Farrell & Montagnier, 2020
Unclear career trajectory	Schwartz, 2018
"Absence of an 'organizational holding environment', which embodies direction, stability, […] have to craft their own careers and handle personal learning."	Sutherland et al., 2020
"Lock-in mechanisms slow down professional growth paths"	Pais et al., 2020
"Piattaforme non offrono percorsi strutturati di formazione e spesso limitano la spendibilità delle competenze acquisite fuori dalla piattaforma"	Arcidiacono et al., 2021

Table 12: E-lancers' criticalities

Table 12 is a summa of the much more numerous facets of all the stressors for freelancers discussed in the literature. Also, many others of the papers analysed discuss the ones summarised in *Table 12*, such as Nawaz et al., 2020, Ettlinger, 2017, Scully-Russ & Torraco, 2020 and Melián-González & Bulchand-Gidumal, 2018.

Some of the papers also stress the higher-level problem of uncertainty, linking it to other issues as underlying root; for instance, individuating four fundamental forms of uncertainty for freelancers: income instability, lack of access to security system, the quest for autonomy in their work, the disruptive presence of technology (Charles et al., 2020). Also, Sutherland et al. clearly state in their paper that all the challenges faced by freelancers can be summarized as more "uncertainty" about one's work. In particular, they highlight the entrepreneurial dimension of this uncertainty, meaning that they have to rely more on their skills to "navigate between success and failure", and the high uncertainty surrounding their work mandates "self-enhancement through training, network sociality, flexibility and mobility". Algorithmic matching and intentionally created (by platforms) information asymmetries are to be added to the causes of uncertainty.

2.4.10. Why and how firms rely on freelancers

Alongside the growth of freelancers in the workforce, there has also been an increase in the number of businesses who make use of freelancers in order to have more flexible, nimble, innovative and agile organisations (Burke & Cowling, 2020). On the demand side, overall, several are the dimensions that are impacted by the use of e-lancers (and analogously of traditional freelancers). Based on the literature review analysis, the main factors have been gathered in three macro-areas:

- Cost structure
- Speed and flexibility
- Skills and competencies

Cost Structure

Since the industrial revolution, outsourcing has been seen by companies as a business practice enabling them to exploit their competitive advantage to increase both market share and profits. Companies have always hired contractors for particular types of work, or to level-off peaks and troughs in their workload, and have formed long-term relationships with firms whose capabilities complement or supplement their own. Cost savings is one of the dominant reasons for outsourcing: leveraging on external partners may allow firms to convert fixed costs into variable costs (Hartono et al., 2020) and, specifically talking about hiring costs, to reduce the associated transaction costs resulting in lower training costs, salaries and taxes. Over the last decades, additional reasons for outsourcing have emerged such as acquiring resources not available in the company or business transformation, but cost cutting remains an important incentive (Alpar et al., 2020).

Being the adoption of e-lancers (or freelancers) a specific form of outsourcing and, since the adoption of freelancers imply the endorsement of external resources, the above reasoning can be extended to these alternative work arrangements.

Indeed, the opportunity of acting on the cost structure and reducing the amount of fixed cost is one of the main drivers that push companies in the integration of freelancers (both online and traditional) in their workforce (Fuller et al., 2020; Abubakar et al., 2017, Bush & Balven, 2021; Shafiei et al., 2019).

Digital talent platforms allow companies to do more work without increasing their fixed costs (Fuller et al., 2020), thanks to the mitigation of administrative burdens, management overhead (Abubakar et al., 2017) and other ancillary costs, especially allowing to lower the amount of expenditures incurred during downtimes when resources would not be used (Burke & Cowling, 2020). The lower incident of costs can be also associated to the fact that individuals, compared with outsourcing to companies, can offer their services at lower cost (Alpar et al., 2020; Bush & Balven, 2021; Howcroft & Bergvall-Kåreborn, 2019) because they usually do not have overhead costs (e.g., office rent, management and secretarial services) (Alpar et al., 2020).

Furthermore, leveraging on the geographical dispersions of the resources that could be accessed remotely by means of digital platforms, companies may take advantage of the differences of labour costs among countries (Howcroft & Bergvall-Kåreborn, 2019) (workers of different countries compete for the same tasks), and on the competition among freelancers which can bring to the so called "price dumping" phenomenon.

Speed & Flexibility

When analysing the various benefits freelancers can provide to companies to gain competitive advantages, one of the most discussed by academical papers is the capability of being more proactive in handling changes and uncertainties (Pofeldt, 2017; Dubey et al., 2016), enabling companies to react faster to rapid changes in product/service demands from the global markets and to operate in a dynamic context driven by innovation and digital disruption (Poon, 2019). Workforce ecosystems, by their nature, are more open and flexible structures, encompassing a diversity of worker types and environments (Altman et al., 2021).

More firms are turning to independent workers and digital talent platform to increase business flexibility and agility because these workers enable them to quickly and efficiently scale human resources up and down to meet changes in the market and a dynamic global economy (Fleming, 2017): they do not need to hire staff permanently, but can give as many contracts to the crowd as their current situation requires (Jäger et al., 2019), thus, depending on the business volume (Soto-Acosta, 2020). This represents a very flexible solution allowing companies to manage the seasonality in the business and cope with peaks in demand, making it possible to simply add capacity to a team or a project (Solomon & Blumberg, 2021) but without tightening up the organisational structure too much in downtime periods. Furthermore, leveraging on freelancers may allow to reduce the amount of time needed for finding, selecting and hiring talents (Abhinav et al., 2017): while the hiring process for a full-time employee can take months, tracking down a great freelancer is often a matter of just a few days (Solomon & Blumberg, 2021). This allows to have access to the right people at the right time, so to make the right skills and competencies available to the company in a shorter

time. Overall, this enables companies to deliver results faster, meet deliverables and accelerate the time-to-market (Fuller et al., 2020).

Skills & Competencies

As intelligent automation and other disruptions continue to redefine industries, the types of skills these industries require are also evolving. As one of the most critical topics for organizations globally today, skills will become increasingly more important in the future. Without adequate talent, organizations struggle to effectively innovate, deliver value to stakeholders and shareholders, grow their businesses and create new jobs (Ikeda et al., 2019). One of the major potentialities that has pushed companies to take advantage from external resources as freelancers and e-lancers is the capability to tap the best talent outside their company in a fast and cheaper way, especially to cope with "talent gaps" within the boundary of the company itself. The adoption of alternative workforce not only increases the availability of workers but also enhances the organization's capabilities to gain access to different types of niche expertise and hard-to-fill positions (Fuller et al., 2020). Digital labour platforms represent huge pools of potential candidates to carry out their workload (Jäger et al., 2019), gathering freelancers potentially placed in different countries: this represents a further advantage for companies, which could leverage on a broader set of talents and have access to specialists not available in the local markets.

The possibility to introduce competencies and skills within the workforce is something that is shared both by start-ups or small companies, which leverage on digital labour platform to quickly staff teams and involve highly skilled professionals (Fuller et al., 2020), otherwise hardly affordable (Altman et al., 2021), but also by larger, more bureaucratic organisations, for which the use of digital platform enables real-time collaboration and knowledge sharing between in-house and outside innovation teams (Soto-Acosta, 2020) which, in turn, rapidly improve the company's ability to efficiently and effectively complete critical projects (Fuller et al., 2020).

2.4.11. Managerial aspects to be considered in the new workforce framework

When the choice of outsourcing to freelancers is enforced, there are managerial, social and legal implications to be taken into account. These involve different stakeholders: mainly freelancers themselves, firms, intermediaries, policy makers. All the factors which are going to presented and deep dived in this paragraph are directly or indirectly interlinked, and aim to give a high-level overview of the interdependence and cross-sides impacts of the stakeholders' decisions and performances, resuming what was found in the literature.

The highest-level aspects regard **Strategy and strategic choices**. The stakeholder under focus is the outsourcing firm. Within this area, we find high-level performance objectives which correspond to motivating drivers for firms while choosing to rely on freelancers. As will be further discussed, many of them can be considered related to *Agility*. The main points related to Strategy and strategic choices have been explained in detail in the [previous paragraph](#). The first driver is rapid up-skilling and re-skilling. Nevertheless, the potential which rapid upskilling and reskilling could unlock remains potential unless supported by a proper competence and knowledge management, enabling an adequate exploitation and coordination of external and internal knowledge. A quite related aspect is the search for speed and flexibility: often companies pursue specific examples of flexibility and dynamicity. This potentially acquirable speed can also bring to a reduced time-to-market, while flexibility especially in the use of resources, which can be rapidly scaled up or down, can make seasonality management more efficient and effective. To be underlined is also the lightning of some of the activities and processes (for example of selection and hiring processes, much smoother and quicker than with traditional hired internal employees). Last but not least, cost variabilization is often the first driver for many, as already specified.

The immediate lower conceptual level is that of **Organizational levers**. This regards implementational practices and policies which firms can or should adopt to make the collaborations effective. One of these is knowledge management, to fully grasp and exploit the potential synergies of internal and external knowledge. This can be favoured by a proper management of the hybrid teams, where internal and external workforce are engaged together. Both full-time and gig employees must learn to work productively with widely

dispersed teams (Fuller et al., 2020). Any project execution requires collaboration. When a project team consists of team members highly distributed, then this becomes even more challenging. Thus, a collaboration channel for constant back and forth discussions covers an important role (Dubey et al. 2016). The right timing to take freelancers onboard and the right freelancers' quantity to consider (Burke & Cowling, 2020), in proportion relative to internal employees, are both important decision areas: the first determines the efficacy of up-skilling, of seasonality management and the potentiality to reduce time-to-market; the latter impacts on the level of cost variabilization achievable. In particular, the regression models developed by Burke & Cowling shows that the intensity of freelancers inside the company's workforce is strictly related both with organisational performances and the cost structure, being their adoption useful for reducing the amount of fixed costs. A very crucial organizational lever is hybrid team coordination (Dubey et al. 2016), also implying the decision on the quantity of freelancers in the team. The diverse members of teams must learn to work and collaborate in a productive way: both full-time and gig employees must learn to work productively with widely dispersed teams. In order to maximize the value provided by freelancers, teams must become adept at working with a revolving set of colleagues, building the habit of explicitly verbalizing formerly implicit team norms and making progress more transparent for others to track (Fuller et al., 2020). One another fundamental aspect is process parcelization (Fuller et al., 2020): a correct process parcelization should define sub-tasks specific enough to fall into the area of competence of one freelancer, but not too specific as not to aliment a sense of alienation which could lower engagement and motivation. These indeed have in turn huge impact on quality of work which is strictly correlated to output quality: as shown by the research work developed by Durward et al., creating highly decomposed, repetitive, and rigid tasks hinder crowd workers in developing a strong psychological bond with crowd work. Also, a good process parcelization can facilitate the management of hybrid teams, enabling clear and well-bordered description of tasks and responsibilities. Furthermore, this can reinforce the efficacy of the matching algorithms of platforms and boost the probability that only candidates really motivated and skilled for a job will apply and as consequence be selected.

Intermediation aspects relate to the management of the relationship between freelancer and companies: the quality of communication, the possibility to provide and receive

feedbacks, the long- or short-term nature of the relation, training and any other intermediary service (which can be provided by digital platforms) and finally the mechanisms of matching company-freelancer and talent acquisition. These all have an impact on both output quality ad quality of work for freelancers, which makes them crucial.

On the other side, there are **network facets** more related to the way the three sides involved in this platform economy interact with each other and develop short term or long-term relationships. In particular, they refer to phenomena of the network economy such as critical mass key to determine the success of a player, in this case a digital labour platform. Namely, they are acquisition and retention rate of companies and acquisition and retention rate for freelancers. Even if they do not strictly impact on strategic (for companies) matters, they are to be mentioned since key drivers to make the business of labour platforms economically sustainable. Output quality can be a discriminant for retention rate of a company, while quality of work for retention rate of freelancers. They may also have an impact on acquisition rates due to reputational issues. They are currently problematic for platforms: platforms' user base is hindered by the very low switching costs, implying the need to develop lock-in mechanisms; platforms need to develop strong and long-term relationship with freelancers as well as strategies for attraction and retention in order to stay competitive in freelancing industry (Nawaz et al., 2020).

Quality of work is the level of psycho-physical conditions in which freelancers work. It includes more concrete aspects as compensation and stability but also more abstract ones like engagement, motivation and sociality the type of work and tasks can offer to freelancers. More details on this are discussed in the paragraph dedicated to freelancers' criticalities. This is though a central concept linked to many others, some of the correlations are tested by the study (Durward et al., 2020). We report hereafter a summary of the tested and proven correlations of the paper (*Figure 13*).

Hypothesis	Effect	Decision
H1	Perceived Satisfaction → Perceived Identification	Accepted
H2a	Perceived Autonomy → Perceived Satisfaction → Perceived Identification	Accepted
H2b	Perceived Task Variety → Perceived Satisfaction → Perceived Identification	Accepted
H2c	Perceived Task Identity → Perceived Satisfaction → Perceived Identification	Accepted
H2d	Perceived Feedback → Perceived Satisfaction → Perceived Identification	Accepted
H3a	Perceived Autonomy → Perceived Satisfaction → Identification; Moderated (+) by FC	Partially Accepted
H3b	Perceived Task Variety → Perceived Satisfaction → Identification; Moderated (+) by FC	Partially Accepted
H3c	Perceived Task Identity → Perceived Satisfaction → Identification; Moderated (+) by FC	Partially Accepted
H3d	Perceived Feedback → Perceived Satisfaction → Identification; Moderated (+) by FC	Accepted

Notes: FC, Financial Compensation.

Figure 13: Correlation between quality of work and other variables under study (Durward et al., 2020)

Finally, **security issues** impact some facets of quality of work as retribution and stability or uncertainty in career prospects, but also the fairness of contracts, and are competence of regulators and policy makers. The main problems to be highlighted are power asymmetry and lack of representation, but more details on this issue as found in the papers have already been discussed in the paragraph dedicated to freelancers' issues.

2.4.12. Criticalities for companies

Also companies can find themselves facing nonnegligible pain points, which we grouped into six main categories: Trust, Coordination, Reliability, Interjection, IP protection and Loss of control.

Trust: worker-task fit

The potential mismatch between a crowdsourced task and e-lancers' actual competences represents a risk for the company, since this could result in a lower quality of work performed by the workers (Felstiner, 2011; Bush & Balven, 2021). Identifying, evaluating, and selecting the right talent sourcing model given company's needs is a very complex task (Fuller et al., 2020), especially in absence of some supportive services provided by the intermediary, as the rating mechanism which could help in assessing rapidly freelancer's competencies. However, reputational mechanisms on platforms do not completely solve the problem: a

certain degree of trust is needed, as well as sometimes the need for automated checks on the quality of completed tasks. Many academic papers indeed focus on the lack of trust in the use of digital labour platforms and the potential implications (Yan et al., 2016; Gandini et al., 2016).

Coordination & Integration

Coordination of work and collaboration between external-internal workers must be accomplished internally or by another paid third party if many different freelancers work on a related project (Alpar et al., 2020). This naturally increases outsourcing costs and adds a layer of complexity.

Most workforce-related practices, systems, and processes focus on employees, not external workers. Workforce planning, talent acquisition, performance management, and compensation policies, for example, all tend to focus on full-time (and sometimes part-time) employees. Consequently, organizations often lack an integrated approach to managing a workforce in which external workers play a large role (Altman et al., 2021). Furthermore, companies find challenging the management of dispersed teams (Fuller et al., 2020).

Reliability

There are many reasons why relying on an individual rather than on a company can reveal riskier: for example, in case of illness (Alpar et al., 2020) but also in case of high damages caused to the outsourcer by the work of the individual. Indeed, no individual freelancer will be willing to nor able to take financial responsibility for such a situation (Alpar et al., 2020).

Interjection

Due to the lack of protections independent workers can create coalitions and go on strike: on some occasion this has led to the intervention of the state, leading overall to actions in favour of the workers (example: increasing of the payments etc.) (Poon, 2019). Plus, new

legal policies may originate. This is a consequence of what has already been described and is a common pain point that could be experienced also by platforms. These challenges are further complicated in organizations where workforces are dispersed globally, because requirements differ by country. Large organizations often operate in multiple geographies with different approaches to regulating labour markets; workforce ecosystems add to this complexity. (Altman et al., 2021).

IP Protection

Another challenge is appropriate handling of information so that privacy and confidentiality are retained, to protect Intellectual Property (Dubey et al. 2016). For example, while describing the task to outsource to possible candidates, before they sign any contract, specific enough to make clear responsibilities and competences needed but at the same time not too specific in order to protect business confidential information. As a consequence, the access to information must be managed: this is especially important when dealing with hybrid teams, since the information need to be protected well so that each team member can access only as much information as he needs for completing his task (Dubey et al. 2016). Sharing IP with external talent is considered a potential barrier perceived by companies also by Fuller. In traditional employee-centric businesses, ownership of intellectual property is straightforward since, by definition, the company owns it and there is not the risk of sharing of sensible information (Altman et al., 2021). Instead, when independent contributors simultaneously work for multiple companies, and especially in case organizations are potentially related or competitors, sharing knowledge and information with independent workers becomes more critical.

Loss of control

Beside the risk of losing intellectual property, there is also a risk of losing knowledge and control over the crowd's activities, not just because the work is distributed and temporary, but also because of the intermediary platforms. For example, there is risk of losing control

over the activities of workers (Shafiei et al., 2019). This is especially true when e-lancers are assigned to core activities, typically managed in-house. This effect is exacerbated by the fact that most of the times jobs assigned to e-lancers are only oriented toward the short-term. From the organization's perspective, there is a perceived loss of control due to the inability to hold workers fully accountable or to provide enough incentives for them to perform at their highest level (Felstiner, 2011).

2.4.13. Strategy and Agility paradigm

As already stated, the new dynamic environment in which companies are competing is now forcing them to adopt new business models and new strategies to remain successful in the market. For firms competing in volatile environments, strategic agility represents a key organisational paradigm for sustaining in the market and leveraging on digital platform can represent a source of value and a way companies can foster agility: emerging digital talent platforms are making it possible for companies to mould their workforce in real time to respond to changing market needs. Agility accounts for one of the main challenges companies have to face, especially large and established companies which often become bureaucratic because the rules, policies, and management layers developed to capture economies of scale ultimately hamper their ability to move fast (Aghina et al., 2015).

Academic literature, in keeping with the business environment, has been contending to investigate the ways that organizations can deal with such changes and how they can align their strategies accordingly.

First of all, what is important is to provide a clear and unambiguous definition of agility.

It can be defined as the competitive capabilities that enable organizations to cope with changing environments by constantly and rapidly spotting, sensing and seizing through intentional strategic moves and changing organizational configuration (Sull, 2009; Weber and Tarba, 2014). So, it generally refers to the firm's ability to continuously adjust and adapt strategic direction in a core business (Holbeche, 2018).

McKinsey tried to identify the key attributes that allow to define an organizational structure as "agile":
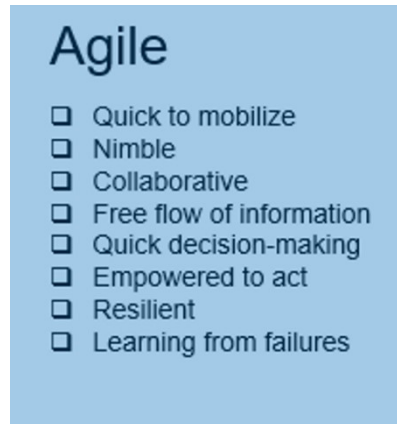
Figure 14: Agility main traits according to McKinsey

The idea behind agile governance is to establish both stable and dynamic elements in making decisions. This, according to the author, represents a paradox, since organizations must design structures, governance arrangements, and processes with a relatively unchanging set of core elements—a fixed backbone and at the same time, they must also create looser, more dynamic elements that can be adapted quickly to new challenges and opportunities (Aghina et al., 2015; Ajgaonkar & Neelam, 2021).

- Stability: reliable, efficient and resilient structures, governance systems and operative processes
- Dynamism: capability to rapidly adapt to new challenges and to seize the opportunity which arise.

This dichotomy is the basis of the concept of *Ambidexterity*.

Aghina et al., 2017 developed a framework defining the five fundamental "trademarks" of agile organizations and framing at the same time an emerging set of "agility practices":

	Trademarks	Organizational agility practices
STRATEGY	North Star embodied across the organization	• Shared purpose and vision • Sensing and seizing opportunities • Flexible resource allocation • Actionable strategic guidance
STRUCTURE	Network of empowered teams	• Clear, flat structure • Clear accountable roles • Hands-on governance • Robust communities of practice • Active partnerships and eco-system • Open physical and virtual environment • Fit-for-purpose accountable cells
PROCESS	Rapid decision and learning cycles	• Rapid iteration and experimentation • Standardized ways of working • Performance orientation • Information transparency • Continuous learning • Action-oriented decision making
PEOPLE	Dynamic people model that ignites passion	• Cohesive community • Shared and servant leadership • Entrepreneurial drive • Role mobility
TECHNOLOGY	Next generation enabling technology	• Evolving technology architecture, systems, and tools • Next-generation technology development and delivery practices

Figure 15: Agility Trademarks and Agility practices (Aghina et al., 2017)

- **North Star embodied across the organization**: To meet the continually evolving needs of all their stakeholders, agile organizations design distributed, flexible approaches to creating value, frequently integrating external partners directly into the value creation system. This leads company to recognize the abundance of opportunities and resources available, succeeding in co-creating value with and for all the stakeholders.

- **Network of empowered teams**: Agile organizations maintain a stable top-level structure, but replace much of the remaining traditional hierarchy with a flexible, scalable network of teams. Networks are a natural way to organize efforts because they balance individual freedom with collective coordination.

- **Rapid decision and learning cycles:** Agile organizations work in rapid cycles of thinking and doing that are closely aligned to their process of creativity and accomplishment. Whether it deploys these as design thinking, lean operations, agile development, or other forms, this integration and continual rapid iteration of

thinking, doing, and learning forms the organization's ability to innovate and operate in an agile way.

- **Dynamic people model that ignites passion:** An agile organizational culture puts people at the centre, which engages and empowers everyone in the organization.
- **Next generation enabling technology:** For many organizations, such a radical rethinking of the organizational model requires a rethinking of the underlying and enabling technologies.

As for organisational agility, a novel component of work organization that is attributed growing relevance by the management and strategy literature is the so called "**workforce agility**". Workforce agility is defined as the set of practices that an organization uses to effectively redeploy its workforce to value creating activities (Franco & Landini, 2020). In particular, it refers to the ability of companies to adapt their available workforce to support changes in the environment. Economists and business scholars have devoted growing attention to specific managerial interventions related to this topic that help firms to improve their innovative performance. Considering workforce agility as an ability of workforce, Kidd, 1994 commented that workforce agility involves two main elements: the ability of the workforce to respond to changes in proper ways and in due time and the ability of the workforce to exploit changes and take advantage of them as opportunities. Organizational practices can influence workforce agility (Muduli, 2016). Among them *organizational learning and training* covers an important role: agility cannot be achieved without leveraging employees' knowledge and skills. A *Reward system* can also be important from the workforce agility viewpoint (Muduli, 2016). Indeed, according to Sumukadas & Sawhney, non-traditional-based rewards such as skill-based pay systems, improvement-based incentives or non-monetary rewards are more capable of promoting workforce agility than traditional reward practices such as profit sharing. Even *employee involvement* practices are seen to be key in making a workforce truly agile: again, Sumukadas and Sawhney proved that higher order employee involvement practices (job enrichment; job enlargement; and self-managed teams) are more capable of promoting workforce agility than the lower order employee involvement practices. This point was stressed also by other authors like Tamtam & Tourabi,

2020. Lastly, *teamwork* environment has been demonstrated to be relevant to promote workforce agility, this both in terms of internal team working environment but also external (Breu et al., 2001; Muduli, 2016).

2.4.14. Wrap up

In this section, the main findings coming from academic papers and practitioners' researches presented in the literature review phase are gathered in the following table (*Table 13*):

	Finding	References
Ecosystem	Network of actors, acting to pursue both individual and collective goals and interacting with each other creating shared value: each member participating in this network is dependent on the output and results of the others, requiring so a collaborative and transparent interaction among them. In this new framework value is created by the continuous movement of actors in and out of the system that enables different types of work-arrangement for various stakeholders, which could be formal or informal in their nature. Actors embedded in this complex system range from the traditional full-time employees to what can be defined as alternative workforce, including independent contractors, gig workers, and the crowd.	Altman et al., 2021 Liakopoulos et al., 2013 Lusch et al., 2016; Vargo and Lusch, 2004 Wareham et al., 2014 Jacobides et al., 2018 Ashford, 2007
Digital labour platforms	May be considered an instance of multi-sided platforms, functioning as online markets that facilitate exchange among various types of stakeholders who are not otherwise able to transact with each other: the actors involved in the transaction are the requester (which can be either a firm or an individual consumer) that post for the execution of a certain task, and an independent workers (acting as a freelancer) who execute such outsourced tasks. The third actor involved is of course the platform, which plays an intermediary role to coordinate the supply and demand aspects of a market. intermediary platform firms also enable and support a range of other activities.	Schmidt, 2017 Shafiei et al., 2019 Gawer, 2014 Farrell, 2016 Howcroft & Bergvall-Kåreborn, 2019

E-lancers	E-lancers are contracted professionals who provide services on hourly, project or short-term basis for various clients and accessed by companies thought online marketplaces and they do not work exclusively for one company; e-lancers are those who work online, accessing to job offers by mean of a digital labour platforms, and they are interviewed and hired without meeting the employer in person; e-lancing platform is the actual place in which potential employers and potential workers meet. E-lancers are not considered as employees of the platform but they are considered as independent contractors who provide their services for specific task and time.	Townsend, 1998 Nawaz et al., 2019 Aloisi(b), 2015
Agility	Agility represents a key organisational paradigm for sustaining in the market: It can be defined as the competitive capabilities that enable organizations to cope with changing environments by constantly and rapidly spotting, sensing and seizing through intentional strategic moves and changing organizational configuration. So, it generally refers to the firm's ability to continuously adjust and adapt strategic direction in a core business.	Sull, 2009; Weber and Tarba, 2014 Holbeche, 2018
Workforce agility	Workforce agility is defined as the set of practices that an organization use to effectively redeploy its workforce to value creating activities. In particular, it refers to the ability of companies to adapt their available workforce to support changes in the environment. Workforce agility involves two main elements: the ability of the workforce to respond to changes in proper ways and in due time and the ability of the workforce to exploit changes and take advantage of them as opportunities.	Franco & Landini, 2020 Kidd, 1994 Muduli, 2016 Tamtam & Tourabi, 2020 Sumukadas & Sawhney, 2004 Breu et al., 2001

Table 13: Sum up of the main literature findings

The main concepts covered with the literature review have been organised here in 6 macro-themes:

Quality of work	It refers to the area including the drivers job satisfaction, motivators and pain points perceived by freelancers and e-lancers. It is the level of psycho-physical conditions in which freelancers work. It includes more concrete aspects as compensation and stability but also more abstract ones like engagement, motivation and sociality the type of work and tasks can offer to freelancers.
Relationship issues	Area related to the relationship established between three sides involved in this platform economy: requesters, freelancers and the platform. In particular, they refer to phenomena of the network economy such as critical mass key to determine the success of a player, in this case a digital labour platform.
Intermediation	It focuses on the aspects related to the role of the intermediation platform and the complementary services that it provides for the better management of the relationship between freelancer and companies: it comprises the possibility to provide and receive feedbacks, training and any other ancillary services and finally the mechanisms of matching company-freelancer and talent acquisition.
Security & regulation	Security & regulation refers to the area linked to the security issues perceived by workers (i.e. the lack of representation or also the fairness of contracts), and at the same time issues perceived by companies as the intellectual property protection.
Strategy	Within this area, we find high-level performance objective which correspond to motivating drivers for firms while choosing to rely on freelancers.
Organisational levers	This regards implementational practices and policies which firms can or should adopt to make the collaborations effective.

Table 14: Clustering of the macro-themes covered by the state-of-art literature
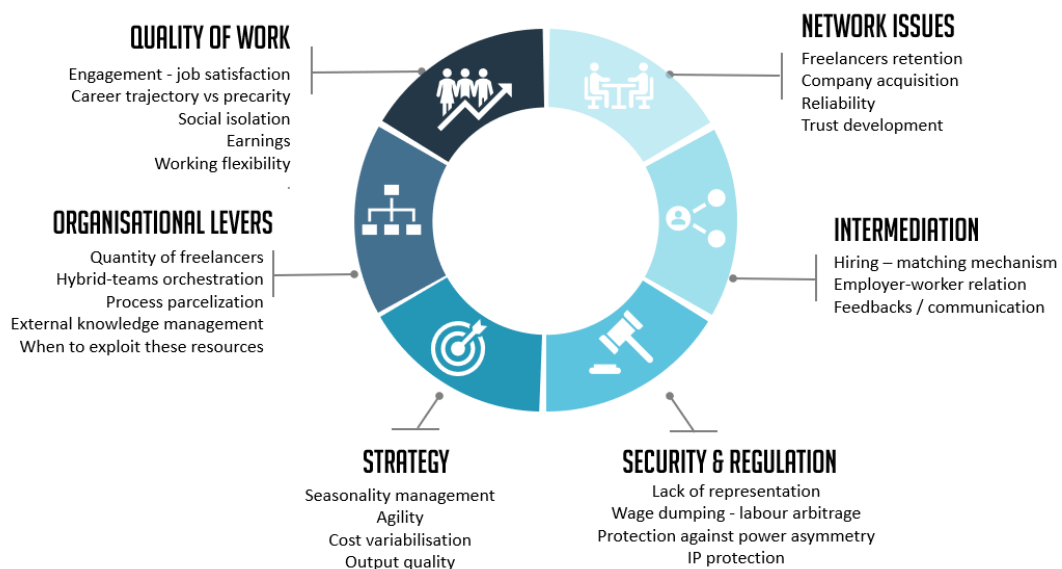
Figure 16: Literature macro-themes

The above-mentioned macro-areas and sub-topics have been mapped in order to highlight the logical relationships, implications and cause-effect connections between them in *Figure 17*.
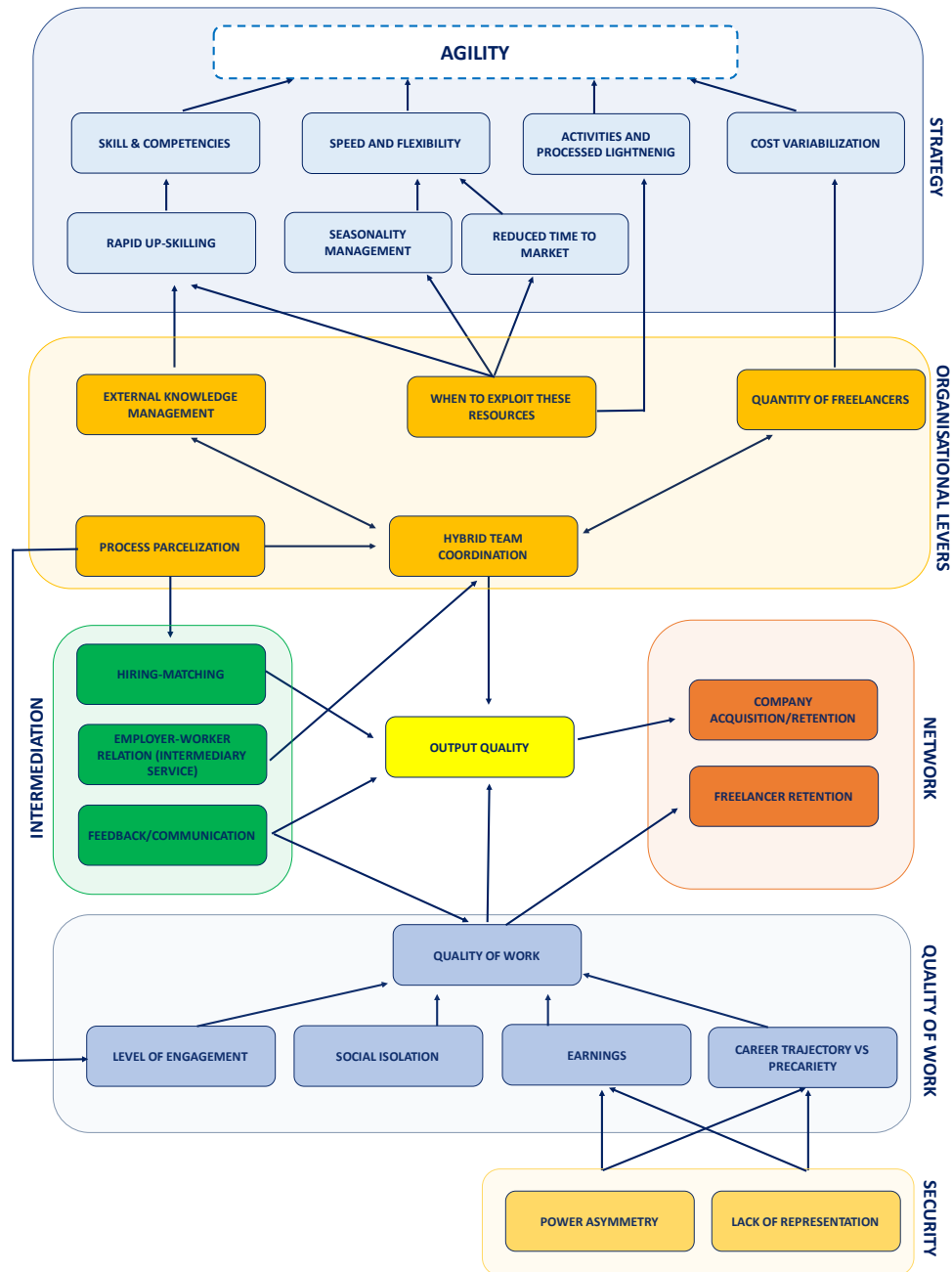
Figure 17: Sketched map of the variables' correlations

3. Research framework

3.1. Literature gaps

In this chapter a more thorough and systemic analysis has been carried out on the sources' dataset. Aim of this analysis is to identify some thematic holes not faced by the current literature state-of-art or still underdeveloped. Being the world of digital labour platforms and freelancers very broad, in the following sub-paragraphs, the research gaps found were grouped into seven main areas: coordination, socio-psychological dimension, freelancers' attraction and retention by platform, legal aspects, task-role fluidity, relation between agility and freelancers, skills and competence.

Coordination and integration

Starting from the first category of gaps, there is an urgent need of research to identify clearly what are the possible methods and developed proven methodologies for effective coordination of work when several independent freelancers are involved (Alpar et al., 2020). This point is also risen by Shafiei et al., 2019: Future research could further focus on the empirical examination of the **coordination mechanism** and its functioning in different crowdwork arrangements. Some considerations were already done in paragraph Criticalities for companies and paragraph Platforms' criticalities identifying coordination of external resources as a critical point both for companies and for intermediary platforms, highlighting the need for a more comprehensive understanding of the matter. In particular, systematic investigations could be relevant for identifying other critical points related to coordination and possible best practises.

Socio-psychological dimension

Moving on to the second macro category of research gaps, there is still a lot of knowledge to be developed around the correlations of working conditions and the impact on the socio-psychological sphere for freelancers. There are several sides from which this macro-area could be tackled. For instance, further research should examine **interrelations between work performance and psychological work outcomes**, potentially also taking into account varying contingencies. These analyses would provide important insights on how crowd working platforms as well as crowdsourcers might influence the performance of their crowd workers via more effective task design (Durward et al., 2020). A consistent portion of the state-of-art literature indeed focuses on this theme, as already shown, but none has addressed it under a prepositive creative perspective yet, so that the problem is well framed and precisely stated but still lacking possible realistic solutions.

Another shade of the problem is the closeness of external workers to the company's values, people and activities, since often there is no identification in them and consequently absent engagement with the firms' brand. This is one of the main drivers of loyalty for internal employees, but it is also responsible for the level of motivation, sometimes even encroaching upon real fondness. This thematic area can be further studied and, in particular, investigating more on how traditional HRM practices could be applied to these kinds of independent workers (Bush & Balven, 2021).

Freelancers' attraction and retention by platform

As shown in [paragraph Functionalities of platforms](#), developing a long-term and stable relationship with both independent workers and organizations is a key theme for digital labour platforms. However, there is still a lot of knowledge to develop around this topic. In particular, as stressed by Meijerink & Keegan, 2019, for future studies, it is worthwhile exploring which HRM activities platform firms use to **lock-in and/or commit** ecosystem actors and examine the explanatory power of lock-in and commitment-mediating mechanisms in explaining the relationship between HRM and long-term platform ecosystem effectiveness. Also Bush & Balven, 2021 stress the importance on the need to shed light on

the most beneficial ways to organize crowd worker recruitment, selection, training and development, and retention.

Legal dimension

Another macro category of literature gaps deals with the area belonging to the legal side. As already stated, when dealing with freelancers, e-lancers and other kinds of independent workers, the regulatory framework becomes sketchy, with blurred boundaries and imprecise distinctions: contributions to the discussion are mostly descriptive, aiming simply to bring the issue to the attention of national and European decision-makers. It's for this reason that scholars and researchers have made an urgent call to take on-demand workers as a new category of independent workers, reflecting their actual employment relationship with intermediaries (platform companies) or direct customers. Specifically, the need to focus more on this area and shed light on it, comes from different authors like Harris & Krueger, 2015 which stress the importance of understanding which legal protections and employment regulations are needed for workers, employers, and intermediaries to assure fairness and equity in the platform economy, or Melián-González & Bulchand-Gidumal, 2018 which state the importance to address deeply issues such as workers' health care protection, training, retirement and unemployment coverage. And yet Rogers, 2016 stresses the importance of investigating more on the legal status on-demand workers have with regard to the protections that cover most workers (i.e., collective bargaining, workers' compensation, unemployment insurance, overtime pay, and minimum wage compensation). Policy makers in the recent years are moving in this direction, but not without barriers. In particular, at the European level, Spanish and Italian policy-makers are still far from defining specific legislation for crowdworking while France has outlined a first attempt at heteronomous regulation. The main obstacle to protecting digital platform workers through legislation is the rigid dichotomy between employment and self-employment, the limits of which seem increasingly evident in both national and European legal systems (Donini et al., 2017).

Task-role fluidity

There is another problem to be included in the agenda for future research: the blurring boundaries of responsibility areas and of the locus of control over the working conditions and the structure of employment environments. Indeed, conditions of employment are uncertain in unstructured, virtual work environments (Hagiu, 2015). The doubt whether the controller of these factors should be the employer, that is, the organization outsourcing tasks to freelancers, or the platform owner, or potentially any other intermediary orchestrating the relationship between freelancers and employer firms, is an open issue. Traditional full-time employment has given way to new hybrid models of project-based work, remote staffing arrangements, contractors, freelance work, temporary contracts, and self-employment (Dokko et al., 2015). This has blurred the nature and definitions of worker, employer and consumer themselves. A deeper study on new work roles, employment relationships and increasingly precarious working conditions should be considered (Majid et al., 2019).

Furthermore, innovative HRD studies should be defined on how to follow the experiences of individual on-demand workers in a fluid network bounded by individual projects (Majid et al., 2019).

In addition, from the perspective of organizations and regarding the content of work, there are no common procedures and best practices defining possible criteria to choose which specific tasks or business objectives could benefit from being performed by external workers rather than internal employees, and vice versa.

Relation between agility and freelancers

The study conducted by Majid et al., 2019 shed light on the strategic implications of relying on freelancers for business ventures, in particular studying their impact on a set of specific KPIs related to the concept of Agility and Ambidexterity. This research has given a crucial contribution to the state-of-art literature, pioneering in a sense with a study focused on the relationship between freelancers and agility. Nevertheless, the analysis is focused on a

specific sector, and further research is needed to collate cross-sectoral agility indicators and to deeper analyze how freelancer impact on agility (Majid et al., 2019).

Skills and competences

Highly skilled workers of any professional field must keep pace and continuously adapt to the evolving needs of a dynamic context, especially when we talk about platform economy workers. The need to frequently change and update skills and competence to remain competitive and attractive for the market must not be dwelled by traditional HRD training and practices (Scully-Russ & Torraco, 2020). In this situation, HRD practitioners must adopt new roles as "the architects of learning systems" able to respond to the continuous learning demands of the new forms of work. Still, this topic is not adequately deepened by the state-of-art literature, leaving as open question which role should HRD professionals play in fostering the development of the skills required to work in this environment (Scully-Russ, 2016). A related issue is raised by Fenwick, 2016: what theories and models of learning are best suitable to support the dynamics of learning and development in fluid, unstructured and virtual work environments?

Also, autonomous workers need the ability to rapidly spot and understand which changes are going to take place in the market and respond accordingly, but which methodologies are required to predict future skill requirements remains an unaddressed point in the literature (Scully-Russ & Torraco, 2020).

Beside upskilling and re-skilling, there is also an open question on how companies might support diverse career orientation, or from which source workers might experience this kind of support.

3.2. Research questions

Given the large number of gaps identified and the vastness of the areas covered, it has been decided to focus the purpose of this dissertation only on some sub-points of the following categories of gaps:

- Relation between agility and freelancers
- Coordination and integration
- Task-role fluidity

Concerning the area related to agility and in particular to workforce agility, the first objective of this explorative thesis is to shed light on the relationship between agility and the adoption of external resources such as freelancers and e-lancers. Some research hypotheses were made starting from the framework shown in the paragraph dedicated to Agility proposed by McKinsey (Aghina et al., 2017):
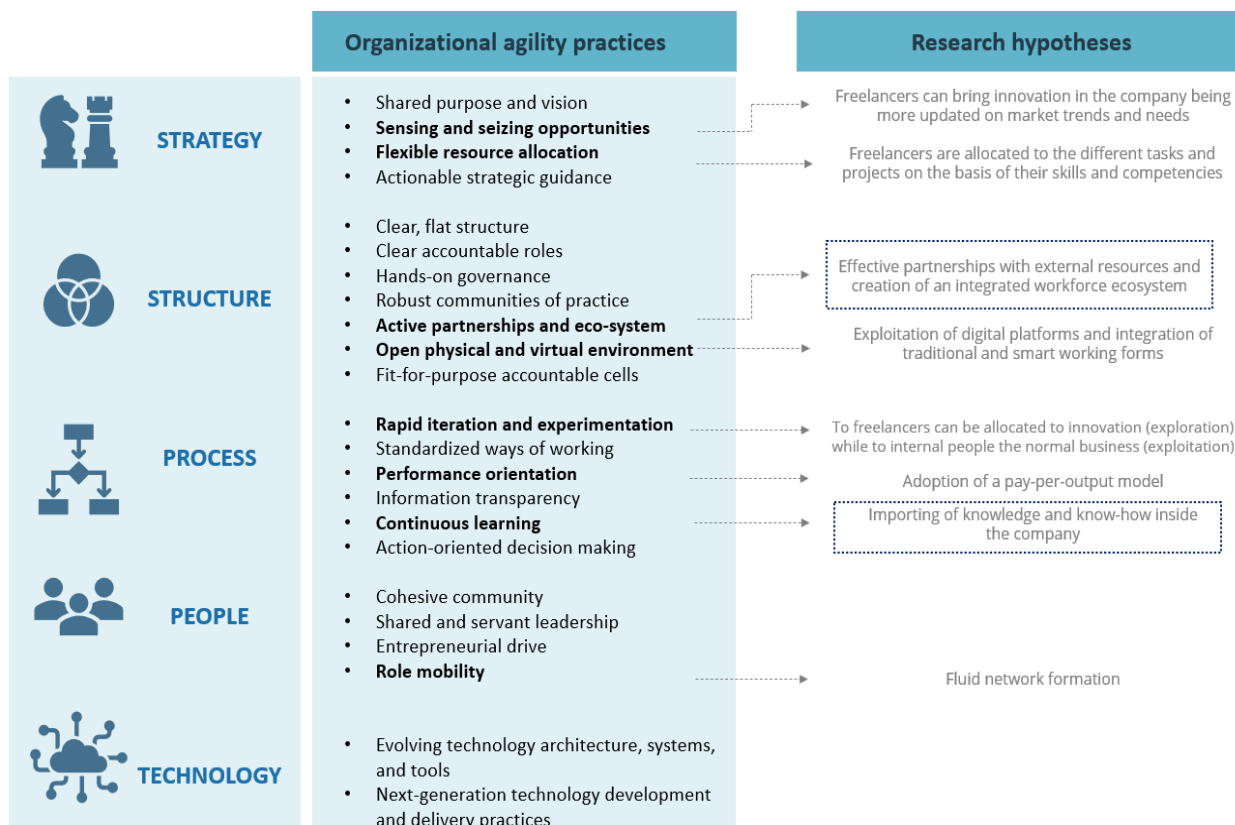
Figure 18: Research hypotheses

In *Figure 18*, the dotted lines highlight the points which have been considered already accepted or implicit since broadly discussed by the state-of-art literature.

Consequently, the research questions (and sub questions) have been developed.

RQ1: **How do freelancers impact on agility?**

- Do freelancers bring innovation and new knowledge in the company, being more updated on market trends and needs?
- Being freelancers allocated to different tasks and projects on the basis of their skills, do they make project teams more flexible favoring the creation of a fluid network?
- Do freelancers favor the exploitation of digital platforms and integration of traditional and smart working forms?
- Do freelancers favor rapid exploration by being allocated to innovation (exploration) while internal people stay allocated to the normal business (exploitation) – or maybe vice versa?
- Does the collaboration with freelancers push towards the adoption of a pay-per-output model?

The other two gap areas were addressed with the second research question (and sub questions).

RQ2: **Which are the operational practices to orchestrate an ecosystem of external and internal individual workers?**

- How to effectively coordinate the work of hybrid teams?
- How to best engage and motivate external workers?
- Which type of leadership is best suitable for a diverse workforce of external and internal agents?
- How to manage interrelations and conflicts in a fluid network?

Finally, the perspective of the adoption of intermediary platforms, in contrast with the adoption of traditional freelancers coming from other sources and intermediaries, is taken as a study variable and addressed with a third research question (and sub-questions):

RQ3: **Is the choice of the way to access (intermediary) freelancers a variable that has an impact on agility performance?**

- Does the access to freelancer through digital labour platforms impact on the time required to find/hire them?
- Does the access to freelancer through digital labour platforms impact on the costs faced by the company to outsource?
- Does the access to freelancer through digital labour platforms impact on the effectiveness of the matching company-freelancer?

3.3. Analysis framework

To answer to the research questions in a consistent and articulate way, it has been considered necessary to adopt a framework linking all the key variables. In this way, every case study can be ascribed to a more systemic and general analysis stressing analogies and points of differences among the single cases.
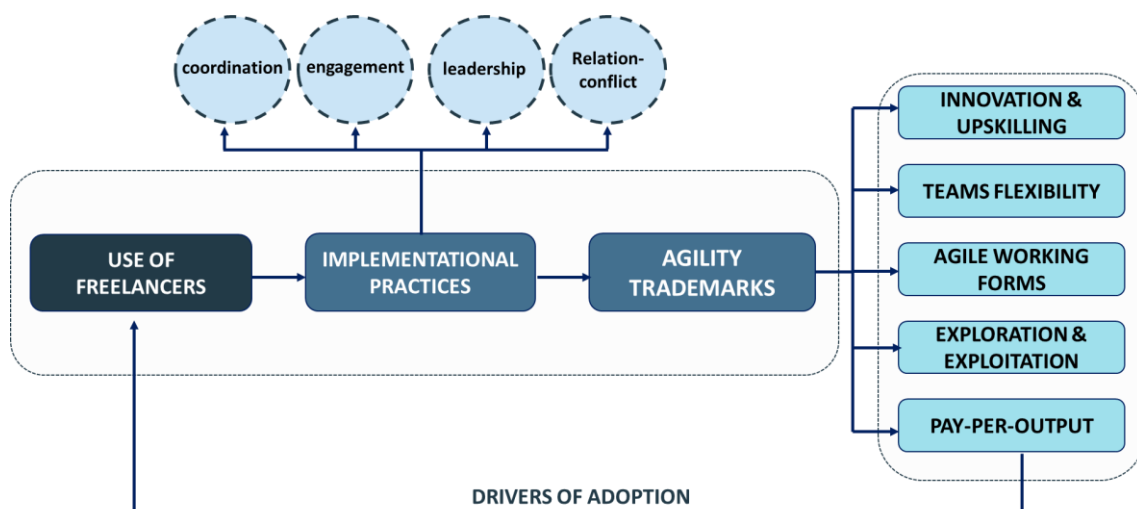
Figure 19: Analysis framework

Indeed, this framework (*figure 19*) is primarily meant to be a broad overview on the conceptual roadmap of the thesis' work, as well as a summary of the main linkages between the themes that are going to be investigated.

The use of freelancers and e-lancers is driven by specific drivers of adoption which represent also the final goals which companies aspire to reach. A category of these is represented by all the Agility Trademarks previously identified and selected: Innovation and Upskilling, Teams' Flexibility, Exploration and Exploitation, Pay-per-Output. In order to reach these strategic agility objectives, companies need to enforce some implementational practices in the adoption of external workforce, to make it effective. These include coordination measures, leadership styles, creating engagement, managing the relationship and eventual conflicts emerging.

The focus of the analysis will be the link connecting implementational practices and strategic objectives' realisation with the achievement of agility trademarks. Different implementational practices adopted by different firms will be tested in efficacy to drive general conclusions on possible best practices or areas of further improvement.

4. Methodology

4.1. Why a case study

A case study is a process and method of research used, in context of **complex issues**, to extend or strengthen the knowledge and experience already known from previous researches. It usually involves an up-close, in-depth, detailed examination of a particular case or cases, within a real-world context. Indeed, it often includes data form **direct observations and systematic interviewing** as well as from public and private **archives**. Combining the knowledge coming from existent literature is a common but inadequate way for creating new theories, since it does not allow to achieve solid results. Hence, the choice taken has been to adopt the case study methodology. Another reason to drive this decision is the presence of nonnegligible gaps in the state-of-art literature: a proven and strong hypothesis could not have been validated on the sole basis of the literature itself, since the choice of research questions has been rooted on its main gaps identified. Empirical evidence indeed constitutes a source of **testable and** presumably more **reliable information**.

As shows *Table 15*, the case study analysis can support **multiple purposes**. The first is **exploration**, meaning that this methodology can be handful to uncover areas for development and discover research ideas, supporting longitudinal field studies. Moreover, it can support **theory building**, by identifying key variables and the linkages among them, describing and explaining modes and causes of such relationships.

If combined with other ancillary methodologies, like surveys, experiments etc., case studies can also be used for **theory testing** by delivering explication for complex issues and eventually by extending and refining existing or previously developed theories and predicting future outcomes.

As emerged in the first chapters, existent literature does not provide yet a structured and scientific expertise on how companies deal with outsourcing to freelancers. Moreover, evidences previously presented have shown that the topic is worth to be investigated and

requires further analysis. For all of these reasons, the chosen approach to carry out the research has been an **exploratory approach**, and case study methodology has seemed to be the most suitable one. Moreover, this methodological approach has been chosen to give the possibility to build new theory about outsourcing to freelancers and on-demand crowd working, describing the key variables of the analysis framework and identifying relationships among them.

Purpose	Research question	Research structure
Exploration Uncover areas for research and theory development	Is there something interesting enough to justify research?	In-depth case studies Unfocused, longitudinal field study
Theory building Identify and describe key variables Identify linkages between variables Identify why these relationships exist	What are the key variables? What are the patterns or linkages between variables? Why should these relationships exist?	Few focused case studies In-depth field studies Multi-site case studies Best-in-class case studies
Theory testing Test the theories developed in the previous stages Predict future outcomes	Are the theories we have generated able to survive the test of empirical data? Did we get the behaviour that was predicted by the theory or did we observe another unanticipated behaviour?	Experiment Quasi-experiment Multiple case studies Large-scale sample of population
Theory extension To better structure the theories in light of the observed results	How generalisable is the theory? Where does the theory apply?	Experiment Quasi-experiment Case studies Large-scale sample of population

Table 15: Research purpose and correspondent methodology (Voss, Tsikriktsis, EM, 2002)

4.2. Case studies selection

A critical stage of the case study methodology is the selection of the companies that are going to be included in the test sample. As to ensure the accuracy and correctness of the analysis, it has been decided to identify and set specific criteria to be followed throughout the process of company selection.

A first general speculum was drafted regarding the role and task area in which freelancers were used in the outsourcer company moving from the classifications found in the literature on the most relevant professional areas, both in terms of strategic impact and in terms of dimension of phenomenon (numbers of freelancers working in that area according to statistics). Of course, the requirement of being high-skilled professionals was set as sine qua

non precondition. The choice of the specific professional specialisations on which to focus the analysis has been deeper explained in the Introduction paragraph.

As second driver of choice, the industry or sector where companies operate was taken into account in order to cover as much as possible a diversified area, in order to get to results which could be considered generalizable to more than one firm and more than one sector. Also in this case, the attempt made was to cover the principal industries indicated by the literature as those mostly leveraging on freelancers and e-lancers. More details on this aspect have already been explained in the Introduction paragraph.

Finally, the focus regarding the companies' size have been on small-medium enterprises, with no constraints on their age.

The tough part was to get in contact with companies which we knew a priori to be or to have been leveraging on freelancers and external highly skilled workers. Three were the main drivers of information on this aspect which have been considered: direct knowledge of certain companies and their business, academic papers analysed in the literature which cited as examples firms outsourcing to freelancers, and finally the websites of intermediaries such as Upwork.com, Fiverr.com, Toptal.com and Catalant.com presenting some of their key customers.

No particular restriction was set on the specific national background of the companies.

Considering all the criteria above described, an adequate number of case studies has been set between 4 and 10 for the thesis scope: for each company, the number of business roles interviewed was set according to the availability of the company itself and the actual relevance for the study, in order to gather different perspectives and opinions about the topic. In the end, it was possible to include in the sample a number of 8 companies, allowing to cover a sufficiently large range of industries and gaining insights on real-life contexts from different companies and freelancers. In the following paragraph more details will be provided about the selected companies.

4.3. Companies' overview

In this paragraph, a first general overview of the companies analysed is provided. General information is presented for each company, while more detailed aspects are deepened in each dedicated chapter, beside the description of the research results. A synthetic table (*Table 16*) is provided hereafter reporting generalities about each company:

SECTOR	CORE BUSINESS	AGE	PROFIT-NET PROFIT	SIZE	FREELANCERS' ROLE
IT service	Managed IT infrastructure, IT operations, technical support services; intelligent data center, agile cloud migration, smart workplace solutions	1996	11,71 M € 117,91 K €	300 employees	SAP consultant; database consultant;
Web service	One-to-one video-call; Personalised audio messages; Personalised video messages…	2018	7,00 K€ -3,95 K€	25 shareholder partners	Software development; graphic design; web design; Legal; HR
Metallurgic	Bending of tubes of large diameter	1953	45 M € 3 M €	250 employees	Quality; Security; Sales&Marketing; Legal; accounting; HR; IT
Engineering	Know-how in the services of Design, Validation, Compliance and Computer System Validation	2018	13 M€ 1 M€	45 employees	Electrical engineers
Manufacturing	Equipment for the manufacturer of dental units, dental cabinets and dental laboratories	1948	15,53 M € 315,98 K €	80 employees	IT administration; HRM; accounting; marketing
Real estate	The business model of the company is based on operating through a <u>franchise</u> system	1995 (Italy) 1973 (Canada)	135 M€ 3 M€	40 employees 130.000 realtors	Commercial agents
Finance	Credit management and recovery, scouting and investment in NPL portfolios, real estate services, legal advisory.	2009	10 M€ 1 M€	50 employees	legal; strategy

Pharmaceutical	Introducing innovative pharmaceutical products that combine different medicinal plants specific for certain disorders.	1972	12 M€ 1,76 M	380 employees	IT; Legal; HR; security; accounting

Table 16: Overview of the selected companies

4.4. Freelancers' overview

FREELANCER	*SPECIALIZATION*	*EXPERIENCE AS FREELANCER*	*SECTOR*	*INTERMEDIARIES USED*
Eng. G	Sales-Marketing	15 years	Industrial, Consumer goods, Finance	Trade associations, Training courses and seminars
Miss D.G.	Marketing-Communication	1 year	Consultancy	Word of mouth
Doc. C.	Sales-Marketing	20 years	Real estate	Personal network
Arch. D.	Sales-Marketing	5 years	Real estate	Personal network
Doc. G.	Sustainability	2 years	Sustainability, Finance, Public policies	Personal network
Eng. M.	ENGINEERING	10 years	Civil, Pharmaceutical	Personal network
Doc. S.	AFC	20 years	Manufacturing, Industrial	Word of mouth, Personal network
Eng. F.	Strategy	20 years	Consultancy	Word of mouth, Personal network
Eng. P.	Quality	25 years	Manufacturing, Industrial	Word of mouth, Personal network

Table 17: Overview of the selected freelancers

4.5. Data collection

Most of the information collected comes from 25 face-to-face or video-call interviews with either representative people of the selected companies or with freelancers and external workers, some of them working with the firms under analysis, some others interviewed as independent 'stand-alone' subjects. The gathered data have been enriched and completed

at a later date, by exploiting publicly available contents like articles, press interviews, websites and so forth.

The process of data collection has been run following precise procedures, in order to obtain information as much as possible in a uniform and structured way. First of all, the preferred entry point to get in touch with the company, where possible, has been the role of HR or any other organizational role known to be present in the company. This first person contacted for any company was the one with which a first meeting has been held in order to better explain the scope of the thesis and the effort required to participate, in terms of times and number of people to be involved, other than to check that the company effectively matched the criteria to be included in the study. Subsequently, the proper interviews have been done following as guideline an ex-ante drawn up questionnaire meant to ensure the coverage of all the aspects relevant for the thesis purpose. The questionnaire has been structured as to contain four macro-sections of questions.

The first introductory section has been thought with the purpose to precisely frame the background and role of the interview, beside collecting possible insights on the company general overview which had not been already found in their website or other secondary sources.

Secondly, a section of questions followed regarding the historic approach of the company towards the adoption of freelancers and external workers and their integration with the company's traditional workforce in the state-of-art situation.

The third module of questions has been designed with the aim to investigate the queries raised by the first research question, RQ1. In particular, the topics investigated have been:

- Upskilling
- Organizational flexibility
- Digitalization and agile forms of working
- Exploitation-exploration approach
- Retribution models

The fourth module of questions posed covered the points addressed by the second research questions, RQ2, on the operational and implementational practices adopted by companies when outsourcing to external workers. The sub-questions covered the following themes:

- The coordination of hybrid teams' work
- The leadership style adopted in contexts of hybrid workforce
- The management of relationships and possible conflicts in a heterogeneous ecosystem

A last section of questions has been posed only to companies who expressed to make use or to have made use of digital platforms as intermediaries to reach freelancers. The objective of this last module was to study if any relevant difference occurs when leveraging on digital labour platforms instead of more traditional intermediaries, and thus if the choice of digital labour platform as intermediary is to consider a relevant variable and in which sense.

More in detail, every macro-section has been deeply investigated with some further questions to examine thoroughly and comprehensively the tackled thematic areas. As a general rule, the talks have begun on broad, general concepts about the particular themes under exam and then, on the basis of the level of detail and completeness of the answers, a set of additional complementary questions have been presented to the interviewee.

The script of questions followed as guideline during the interviews is provided in the Annex.

As for the ideal target interviewees, we have tried to cover different company's functions and hierarchical levels, in particular HR or organizational functions, managers of the functional areas collaborating the most with freelancers, presumably the ones concerned with the proper decision whether to rely on external resources, and possibly low-level workers or those with a direct contact and interface with external resources, working in project teams side by side with them and experiencing the daily operational aspects of working in hybrid teams.

A whole different kind of interview has been conducted with freelancers and external workers themselves, either involved in an ongoing relationship with some of the interviewed

companies or taken as individual examples. A shorter set of questions has been addressed to freelancers, divided into two sub-sections:

- Interviewed background: competences and area of specialization, history as freelancer, main benefits sought in working as independent worker and principal criticalities faced, primary intermediaries used.
- Operational practices (RQ2): processes and projects' parcelization, coordination mechanisms and practices, communication and feedbacks, leadership and managerial styles met, relationship, interactions and conflict management, organizational culture and values.

Table 18, reported hereafter, reports a summa of all the interviewees and their role.

IT services Firm	*Delivery manager;* *HR manager*	*/*
Web services	*CEO*	*Marketing & communication*
Metallurgic	*General director*	*Performance audit;* *Quality expert;* *Change management consultant*
Engineering	*Project engineer;* *Sales engineer;*	*Project engineer*
Manufacturing	*COO;* *General director;* *Marketing & sales director;* *HR manager*	*/*
Real estate	*CEO;* *HR manager/CFO*	*Team leader;* *commercial*

Finance	*HR Manager;* *Project Manager*	*/*
Pharmaceutical	*HR Manager;* *R&D Employee*	*/*
other	*/*	*Public policy & social innovation;* *Sales & marketing*

Table 18: Interviewees' roles

The interviews have been conducted between July and October 2021. On average, each interview has lasted around one hour and has been integrally recorded and subsequently transcribed.

4.6. Data analysis

Having gathered all the necessary information from the pool of companies, a process of data analysis has been carried out, after a phase of further analysis on other various available materials on each company to get to a complete and thorough overview.

The totality of the transcribed interviews led to have around 60.000 words over more than 15 hours of audio records. The transcripts underwent a process of coding to highlight relevant concepts and potential similarities. To better foster comparison among the different interviews, a common structured **analytical approach and coding protocol** has been followed. This process encompasses examining and analyzing transcribed data line by line, looking for specific evidence, variables and concepts. The principal steps followed are:

1. **Extrapolation of the main sentences**: starting from the transcription of each interview, an Excel file with the direct answers to the questions was created as raw data lake. This allowed to remove repetitions and redundant information, as well as to destructure some of the interviewees' statements which incorporated answers to different questions or sub-questions. This same process was in fact duplicated, since all the interviews have been **translated** from Italian into English.

2. **First order analysis**: starting from the previous file, a **first-level coding** was performed, where an activity of classification and cleaning of questions and answers has been put in place to obtain a unique, coherent dataset consisting in a table where rows and columns represented interviewees and answers to the specific questions.

3. **Second order analysis**: a **second-level coding** was subsequently performed, interpreting the insights given by the interviewees' answers by labelling them according to the variables of the analysis framework and assigning specific codes to each answer to perform more objective and structured analyses on the responses obtained, uncovering potential correlations and common emerging themes. The set of labels were categorized and grouped according to their sphere of pertinence and in line with the research questions. This was the ground to perform in-depth analysis and to uncover cross-case insights, as discussed in Chapter 5.10.

4. **Third order analysis**: a **clustering** by analogies was performed in order to build three main profiles of companies with characteristic approaches and distinctive cultural and demographic traits.

Upskilling	Tendency to absorb the knowledge brought inside the company by freelancers and other outsiders
Ambidexterity	Tendency to outsource innovation projects to freelancers and consolidated activities to in-house staff
Alloc_compet encies	Tendency to assign (for both freelancers and interns) tasks based on skills and competencies over other criteria such as time and budget
Homogeneity	Tendency to adopt similar approaches between freelancers and internal employees (control mechanisms; feedback; process allocation and parcelling; communication tools; leadership)

Table 19: Variables considered for clustering

Finally, a process of triangulation between the evidence collected in the field and the theoretical realms was carried out, comparing the concepts emerged during the first and second order analysis with those previously defined and summarized in the literature review with a twofold scope:

- Checking whether the concepts emerged were consistent with what already treated in the state-of-art literature streams;
- Enriching the current literature by developing new concepts that could answer to the research questions and fill in the literature gaps, being a reasonable explication of the real-world evidences.

Figure 20 and *Figure 21* show an example of the coding procedure using the methodology described, with real quotes from the interviews regarding the sub-question on the best way to deal with conflicts in a hybrid team, when they emerge.

CDG: For me it's important to be transparent about the decisions taken, so to manage the conflicts that arise, first of all you need to have good communication skills, i.e. it's not enough to shout, also because I'm not a permanent employee and if an environment is created that I don't like I can leave whenever I want and look for new clients.

Transparency and good communication skills

DOTTI: I'm convinced that the best way to solve anything is to talk about it, so it's first and foremost with the direct person. So: I don't understand why you don't have to answer me at 6:30 if you've already finished work: if I call you I know you've already finished, but if I call you it's because it's important. Then we talk about it and if it happens again two or three times then at this point I feel I have to talk to the person above who could help me.

Dialogue, direct (phone calls or zoom or physical meetings, not emails etc)

Dialogue and compromise

COMPIANI: Dialogue. When there is dialogue you can solve anything, whatever the problem is if you have the ability and patience and willingness to explain things, you always solve them. You also have to be able to admit some mistakes made, but you still try to mediate and give the client or your colleague results. Dialogue is fundamental, and when misunderstandings happen it is always because there was no dialogue.

Direct & transparent communication with the interested ones
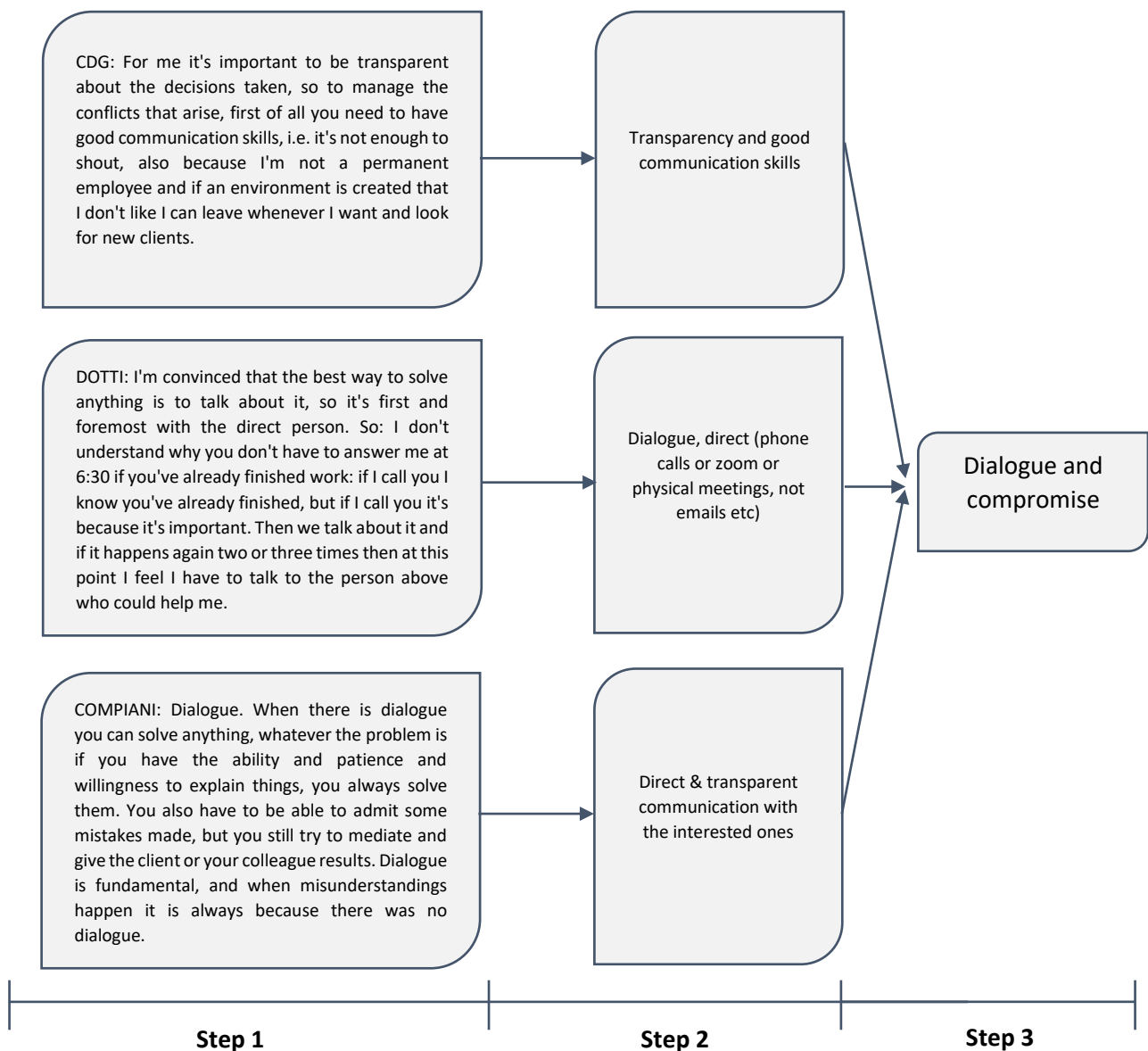
Step 1   Step 2   Step 3

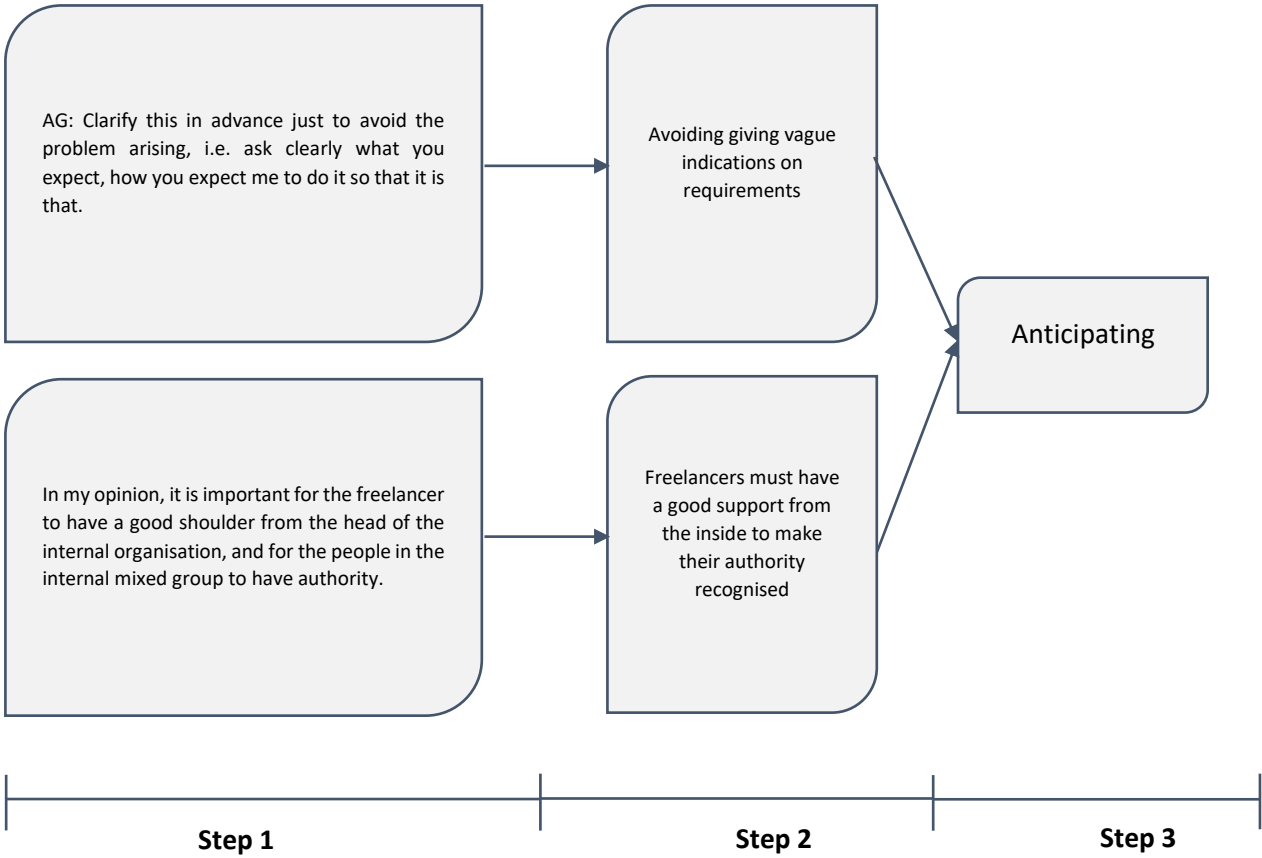Figure 20: Coding process example 1

Figure 21: Coding Process example 2

5. Results

This chapter presents the analysis of the real-world case studies. More specifically, the concise overview of the companies anticipated in [Chapter Methodology](#) is expanded thanks to the information collected during interviews and from the secondary public and private sources (as for example the AIDA database or the companies' websites). This chapter is divided into 9 paragraphs, one for each case study plus one dedicated to freelancers. In each paragraph is presented a general overview of the company under study to frame the context in which it operates, the dimensions and history, and to define the core business and products. Thus, it is possible to depict a clearer picture of each case study considered. After that, the relationship of the company with freelancers is investigated in detail, and the analysis of the variables defined in the research questions is carried out in depth. Finally, the main insights coming from the interviews with freelancers are presented, after a general introduction on the career path and field of experience for each of them. This first analysis sets the foundation for a coherent and transversal assessment of all the case studies, in order to perform relative comparisons through cross-case analyses, provided in the dedicate [paragraph](#).

5.1. IT Services Firm

Company Overview

IT Services Firm is a Managed Service Provider (MSP), offering their clients complete services of IT managing and consulting. They identify also as a Cloud Service Provider, helping customers to choose the best Cloud Advancements solution for either public, private or hybrid Cloud solutions. IT Services Firm is a provider of IT services with the mission of transforming companies for the better. It was founded in 1996 in the North of Italy and is currently headquartered in Assago (Milan). They basically collaborate with client companies' teams to determine which IT services and solutions are best suitable for them, including IT consultancy, managed IT services, strategic business processes and personalized software

solutions. It operates in Italy and Switzerland, having expanded the operations abroad following the acquisition of Athon SA, a company of Business Solutions. With more than 100 customers, 20 technological partners and 50 technical certifications, IT Services Firm aims to keep growing on the wave of their solid history.

Four are the main product divisions of the company, as depicted on their website:

1) Managed Professional Services: A team of professional IT workers in continuous evolution to offer vanguard solutions for the business.

2) Managed IT Infrastructure Services: Valorisation of client company's IT resources by integrating intelligent systems and redesigning the infrastructure to make it efficient, reliable, safe.

3) IT Services Firm Hybrid Cloud: Empowering and protection of existing infrastructure, linking them and integrating them to last-generation technologies.

4) Intelligent Datacentre: Transformation of legacy infrastructure into intelligent datacentres. Simplification of the IT management by adopting Iperconvergent solutions, improving the efficiency and eliminating silos logic for server, network and storage and eliminating Single Point of Failure, adopting technologies to simplify and automate operations.

The company employs around 300 workers, including internal traditional employees and external freelancers.

Relationship with freelancers

From what emerged from the interviews, the adoption of freelancer and other temporary resources is a practise **well established** in IT Services Firm: this, according to the Delivery manager, is a direct consequence of the **typology of the service** provided by the company, which is **project based** by nature. In fact, due to the fixed duration of each project, the exploitation of such kind of resources is a viable and particularly suitable solution, making it possible to employ professional workers just for the duration of the project. Another reason that pushes IT Services Firm towards the adoption of freelancers is the research of **specific skills and competencies** that are not present within the boundaries of the company. Indeed,

the freelancers searched are high skilled workers, primarily consultants, with specific know-how:

"Some skills are only found in freelancers because they need to have had a lot of experience and an external consultant is more likely to have seen many more clients than an internal employee" [Delivery Manager].

And

"The skills sought for are of high profile, where you must have a strong competence, for example, in the infrastructural world or in the SAP world, since SAP is very articulated and composed of many modules. Another example is the world of databases" [Delivery Manager]

According to the HR manager, over the years, the **type of skills** searched by IT Services Firm have been subject to an evolution:

"While before we were looking for skills closest to the company's core business in freelancers […], today we also use freelancers to deepen new realities not belonging to our core business, such as in the applicative field" [HR Manager]

For what concerns the **channels** used by IT Services Firm to get in touch with freelancers, different are the solutions adopted:

"We generally use standard recruitment channels such as LinkedIn when actively researching these figures. We also leaned on companies such as Nigel Frank, for the supply of freelance figures" [HR Manager] or *"(we use) indeed also Infojob databases"* [Delivery Manager]

But sometimes also a direct contact is possible:

"There are also consultants and workers who have remained close to our reality over time and therefore when something is activated that is close to their skills we call them." [HR Manager]

Several are the **reasons behind** the organizational choice of the adoption of external resources:

- *"Time flexibility, in the sense that freelancers are easier to activate and deactivate"* [Delivery Manager]

- *"Service delivery method: I need a resource one day a week because I have to cover a need, therefore a need that is not so large as to motivate the hiring of a person dedicated only to that"* [Delivery Manager]

- *"The presence of a specific competence linked to the nature of being freelance"* [Delivery Manager] and *"[…] therefore the search for a competence that is not core, and therefore using a freelancer can help us"* [HR Manager]

However, this choice, as recognised by the interviewed, does not come without **criticalities**:

- *"We know very well that they are mercenaries. Obviously, there is not the same loyalty as you have with an employee. Even if it hardly happens that, if I agree with the freelancer the duration of a project, he leaves me during it, it may happen that, if I have another similar project, that resource could not be available."* [Delivery Manager]

- *"A freelancer is a figure less under control, that is, he is not in a subordinate employment relationship but in a collaboration relationship. So, these freelancers do not have 5 days available but maybe they have 2 or 3 and therefore it is necessary also to coordinate with their time needs"* [HR Manager].

Overall, in IT Services Firm external and internal workers seem to constitute a cohesive and unique community, with no fragmentation and a continuity that resembles what academic in literature defined *open talent continuum*, or *workforce ecosystem*.

Insights emerged

In IT Services Firm freelancers are thus a well-established reality, wanted for their competences to extend the know-how internally available in the company and allocated to project teams with internal employees on the basis of their skills. Sometimes, if the time spent working with the company allows it, there is a transfer of competences and a virtuous contamination between internal and external resources. The dynamics experienced by freelancers, in terms of coordination, referent figure and authority role inside the company, allocation to tasks and logics behind the remuneration are almost in every case the same observed for internal employees, with possible discrepancies for the various typology of contracts framing the relationship with the company. The only difference is that usually more strategic projects are preferably allocated to wholly internal teams as a IP and competitive advantage protection measure, but it can happen that if the said projects necessitate extra-ordinary competencies not present in the ordinary workforce, external resources are involved too.

As for the **control mechanisms**, they **are different** from those utilised for internal employees. Indeed, the primary methodologies rely on communication and reporting: scheduled milestones, conferences to update on work progress with the coordinator role and to possibly receive feedback from the customer, activities' timesheet reports. On the other hand, internal staff follows a slightly – though not so hugely - different logic.

"It depends because, for example, an employee has his own tool for recording his own attendance, with different wording, so that compared to freelancers there is a formal approval from his line manager. Obviously also the punctuality and the detail of this type is much more precise with the employee, and also the approval process: while the approval with regard to the freelancer is an 'ok' from the person who followed him, who could also not be the hierarchical manager of the group [...], in the other case the approval is more formal for the employee, because the whole world of the pay slip follows. They are similar, they are not very different" [Delivery Manager]

Feedbacks too follow a different logic accordingly to the nature of the relationship, which is by definition different. In the case of freelancers, on one hand, the Delivery Manager explained:

"In this case, too, the outsider is an outsider: he cannot and is not treated like an employee, but precisely because the legal nature of his relationship with us is different. Therefore, in this case too, there are designated figures, i.e. his contracted contact person is the one who can and must give him feedback if necessary. Then it also depends on the nature of the work"

While, for internal employees:

"With employees we have evaluations, dialogue steps, growth paths, training, so there are things like that. But even trivially, an employee is not dismissed because he or she has behaved badly on a project, whereas a consultant, if he or she has behaved badly on a project, will not be called back next time. So, being the dynamic different, it requires different feedback."

As for possible common recurring problems with the management of hybrid teams, IT Services Firm's interviewed roles have reported no particular criticality, with the exception of problems related to the availability of freelancers.

With regards to the practices adopted in IT Services Firm concerning **leadership** styles and approaches in contexts of hybrid teams, the focal points which have emerged from the case study are:

- **Motivation** is stimulated through economic benefits and technically attractive content of work, along with opportunity for growth and future collaborations.
- **Engagement** with the company is pursued through a secure, timely and stable economic relationship and through appealing proposals of project work.
- **Concern for people**, intended as attention paid to the establishment of a decent working environment with good personal relationships, is as important as concern for production, intended as orientation and focus on the results and objectives to be

achieved, or even more important in IT Services Firm, and this is equally valid for both internal and external resources with no discrimination.

The situations which generate conflicts the most in this firm are those regarding the economic aspect of contracts, especially when a change of scope from the original deal verifies, and sometimes the different expectations in terms of flexibility, availability and physical presence or dedicated time to the projects. The predominant vision in the company is that conflicts are intrinsic to the personal and behavioural traits of an individual, and thus there is little space for compromise or constructive manage of the conflict itself, and the best option is to try avoiding it.

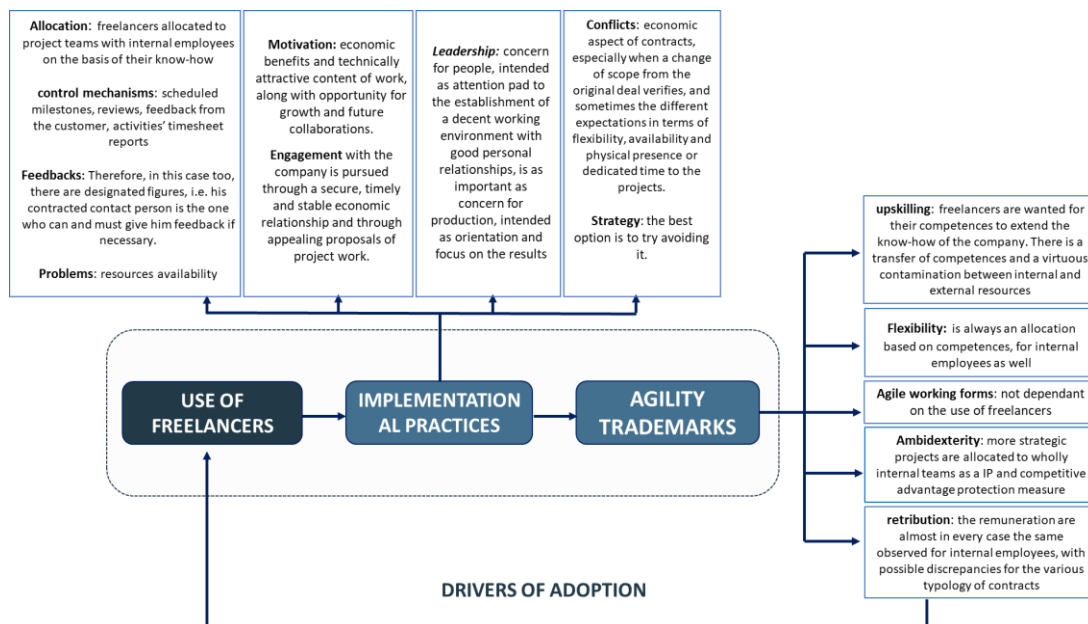*Figure 22: IT Services Firm approach interpreted under the Analysis framework viewpoint*

5.2. Web services firm

Company Overview

Founded in 2018, web services firm is a start-up headquartered in Lecce, Italy. The idea behind its business model is to create a relationship between an influencer and his or her most engaged fans, the ones choosing to reinforce the relationship more than just following

their beloved icons on social media and becoming active and paying supporters in exchange for services and exclusive benefits including:

1) One-to-one videocall;
2) Personalised audio messages;
3) Personalised video messages;
4) Access to premium content;
5) Booking of live events;
6) Gadget window;
7) Personalised message services;
8) Graphs and trends of performance;
9) web services firm's coins and prizes.

Since web services firm is still in the start-up phase, the turnover is negative, since it has not reached the payback time yet. The society structure is composed of 25 shareholder partners and no fixed employee, beside the external collaborators.

Relationship with freelancers

As stated by the CEO, being Web Services Firm a start-up newly born, the adoption of freelancers and e-lancers has represented a successful strategy for the **introduction of skills and competencies** not available inside the firm.

"As for the skills we used the most: definitely technology, specifically software development, then all the graphic design and web design."

And:

"Then also the whole legal part was very important for us. All the legal for us is fundamental because the digital legislation has required skills that you can't have in house. You have to go to lawyers who are dedicated to these tasks. And also the HR functions." [CEO]

As regards the **channels and intermediaries** used to reach freelancers, digital labour platforms represent the most used channels. In particular, the chosen intermediary depends on the skill researched:

"LinkedIn on the top management and freelancers.com on the more operational side" [CEO]

Lastly, among the motivators pushing web services firm toward the adoption of **e-lancers**, the flexibility and the economic side play a critical role:

"The advantages are speed […], so the ability to know in a short time their availability and their budget. Those are the two most important things." [CEO]

Several **criticalities** were raised in the course of the interviews. The main one lays on the fact that these kinds of external resources are more autonomous in their nature, bringing out problems of control:

"[…] like all outsourcing, although you can try with monitoring tools, it is very difficult to keep them under control as if you had them in the office." [CEO]

Also freelancer's availability may represent a source of issue:

"(they) work on several projects and cannot be 100% dedicated to you. So they cannot guarantee to be 100% dedicated to you." [CEO]

Insights emerged

The interviewees have argued that freelancers brought to an **upskilling** in the company and that a transfer of competencies has been verified both in the more technical and informatic side of the business, both in the more strategic and legal one.

The decision to **allocate** projects and activities to internally hired employees or to freelancers depends on the predictability of the competencies need. As the CEO reported:

"There is one part that we could foresee in the medium to long term. I'll give you an example: we knew that if we were going to set up an e-commerce system we would have to have a strong contract with merchants. So, when an e-commerce system is set up, it must have a strong contractual framework (e.g. what happens when the service is not provided, penalties, etc.). So, on these activities there is a certain type of work and then you go to

estimate well in terms of time plan. Then there are case by case situations. These are either

corrections, perhaps because something has happened that had not been foreseen as an

error, an oversight, and then you have to go and correct it. Or it could be, I'll give you an

example, you make a site and say that you integrate that site with call centre functions. So,

you integrate something new. These are things that you do not do immediately. So, some

things you can anticipate, while case by case you use platforms like freelancer.com"

Nevertheless, this allocation of freelancers and e-lancers to tasks, which is based on competencies criteria, has not influenced the logic according to which internal resources are hired and allocated to tasks.

The use of freelancers in Web Services Firm has though greatly encouraged the adoption of **agile working** forms and especially the use of e-lancers: indeed, some of those involved in the company's projects live in India and therefore work not only at distance without need for physical presence, but also at completely different hours, being located in a different time zone. For the same reason, also **ICT tools** for communicating and collaborating are vastly exploited.

The **innovation** and strategicity level of a project is considered in the decisional process to assign a job to external or internal workers, even though there is no single criterion to prefer internal innovation or internal exploitation over the external.

"I don't have a single answer. I can tell you that, in general, if they are very innovative, you

have to guide the freelancer, you have to explain to him. Otherwise the freelancer is

something that I call a technological partner, so someone who works as if he were your

partner in close contact with you - it's always an outsourcing job, but as we understand it,

it's someone who comes to do a fairly precise task, like a web designer or a lawyer. Then it

depends, for example the legal part was a very innovative part because the external player

was an expert in digital matters and therefore had to try to interpret the laws in order to

draw up a contract. So, it depends, there is no single answer." [CEO]

The **pay per output models** are the only ones adopted in Web Services Firm, but they do not necessarily apply also to internal workers.

Processes and projects are managed by internal project managers, who decide which person, either internal or external, is best suitable for a specific task according to their competences without discrimination between employees and independent workers, and the **parcelization and assignation** process is supported by a workflow design tool which considers workloads and competencies as variables. Functional managers, head of a company area, are normally the project managers with role of coordinators.

Control mechanisms are based on objectives and hours worked, but the criteria to judge the quality of work of an internal employee are more and more complex. As the Chief Executive Officer argues, "*in principle, the control mechanism between internal and external is different: the consultant is typically paid by the hour and by objectives. For example, he has to deliver 100 lines of code in x amount of time, so you have very objective elements. On the other hand, you don't judge an employee on that alone because an employee has a company life and a relationship with others. For example, an employee may not always deliver the work on time, but maybe he's very good at being a team player and proposing things, so he wastes more time doing that*". On the other hand, **feedbacks** are managed in the same way and based on the work progress tools.

The **problem** with managing hybrid teams in this company is the complexity given by the delicate decision on the weight of internal and external workers in a team. The more a team has predominantly external resources, the higher is the complexity in managing the hybrid team.

The leadership style adopted with freelancers and e-lancers in Web Services Firm is the following:

- **Incentivation** is obtained by promising extra jobs and further collaborations in the future, trying to establish a long-term relationship;
- **Engagement** is difficultly created, or absent in many cases, especially in situations of one-off, short projects;
- **Concern for production** and focus on the results are predominant over concern for people and the wish to create a positive feeling and harmony with the external workers.

Most common sources of **conflicts** in Web Services Firm are misunderstandings on the scope and on the precise output requested. This can lead to situations where e-lancers or freelancers start working an output which is not the required one, but often understand it after a while during checks and meetings moments, and part of the work already performed results useless and consequently does not get paid. The best way to handle them, according to the CEO, is to find a compromise and try to find a way to accept part of the work already done, maybe by adjusting it and adding modifications, instead of pretending a restart from scratch.
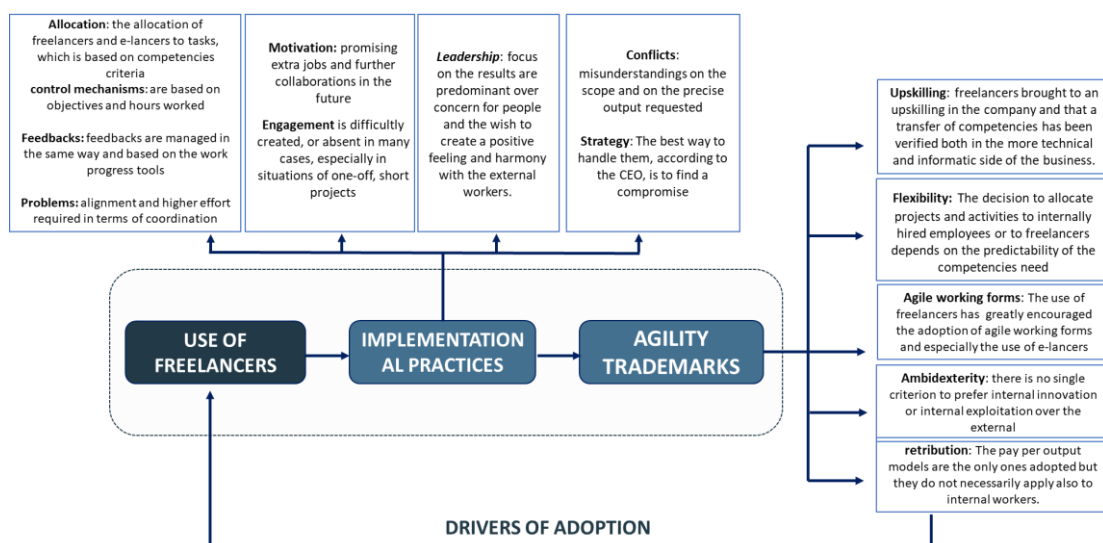
Figure 23: Web Services Firm approach interpreted under the Analysis Framework viewpoint

5.3. Metallurgic Firm

Company Overview

For more than 50 years Metallurgic firm Europe has been an established presence at the international level in the sector of tube working and bending. Founded in Milan in 1953, today the company has a leader position on the national and international market regarding bending of tubes of large diameter. The success of the firm can be contextualized in the innovative perspective of the company: Metallurgic firm Europa has always made significant investments in research and development in order to enhance its production capacity with

the implementation of the latest generation machinery. Every technological progress is the result of the synergy between the Management, the Technical Office, the Innovation Department and specialized consultants.

Specifically, the turnover of the company is around 45 million euros with a net profit of 3 million (2019) and it employees around 250 workers with + 24.000 mq of plant area.

Relationship with freelancers

Freelancers have always been an important part of this company's workforce.

In general, the driver pushing the general managers to turn to external freelancers is the **need for specific missing competences** in the company, as the General Director reported:

"From our experience we talk about missing specific competences. For example, when it comes to quality, knowledge of the standards leading to ISO9001 certification. We relied on the external consultant for this. Lack of organisational skills: since our company was born from the bottom up, the organisational schemes have always been poorly codified because they were born out of everyday life. This has brought to results that, although positive, have also led to some organisational chaos."

As regards the **channels and intermediaries** used to reach freelancers, the ones reported were mainly personal networks of contacts from previous experiences and other indirect working relations.

Different advantages and criticalities as well have been reported during the interviews. The General Director has summarised them in the following response:

"We use consultants because they have experience in different realities and are able to understand how trends and organisations are evolving. So, they are of great help when it comes to a change of this size. Then the consultancy may not be limited to a one-off intervention but a more lasting relationship can be developed with a view to continuous improvement. The important thing is that it does not become an additional comfort zone. Sometimes consultants are not viewed positively within the company by internal employees, and this is one of the risks. Then one of the biggest difficulties is personality management. It

is really very complicated and often finding the right balance is impossible or very

complicated."

Insights emerged

According to the interviewed roles, an **upskilling** effect, even if not transversal to all organizational areas, cannot be denied. In fact, freelancers have been relied upon since the foundation of the company to tap skillset not present in-house. Some of those, with time, have seen proper dedicated functions build around them, with internal and external resources collaborating and sharing the knowledge useful for the projects, as in the case of Quality.

Projects are usually split into tasks and roles **assigned** either to internal or external resources according both to their **competences** and the time and budget specific for the single project by the area manager of reference. The same approach is followed with entirely internal employees, even if with some peculiarities and distinctions mainly related to the contractual arrangement.

It cannot be stated that in Metallurgic Firm agile working and the use of more ICT tools and platforms have been favoured by the collaboration with freelancers, indeed physical-presence meetings with freelancers are still a diffused form of alignment and communication during projects even after the Covid-19 pandemic.

In the case of Metallurgic Firm, there is a clear approach towards **innovation**. In particular, the most innovative projects and specifically the projects of change management and organisational re-design are always entirely assigned to external freelancers, both to exploit up-to-date knowledge with the external market and to include new ways of working and methodologies different and possibly far from those established in the companies' routines and culture. Internal resources are the main ones when operating in established activities and projects – **exploitation**.

"Let's say that the answer comes easy to me: if an activity is consolidated it could hardly be done better by an external party, also because the consultant cannot be adopted continuously within the company. So, I confirm that traditional activities tend to be carried out internally. Where, on the other hand, there is a lack of competence due to the novelty of the function or the area we are undertaking, we have to resort to external consultancy."

[General Director]

As regards **pay-per-output models**, they are not used in this company, neither for freelancers nor for internal employees. Indeed, the interviewees reported that a great difficulty is faced by the company to set specific objectives and KPI since in general procedures inside the firm's life are not well structured enough to support such a standardised approach.

"When there is no culture of targets and KPIs for internal figures, it is even more difficult to determine what objectives the external consultant should achieve. So in our experience the negotiation is on a time basis." [General Director]

Control mechanisms reflect this incapability to set KPIs. Indeed, generic milestones and meetings to check the advancements of project tasks are used, but most of all the control is on the final output produced. **Feedbacks** also reflect the unstructuredness of methods of working: they are given informally with communication and dialogue, and the same happens for internal employees.

 No particular problems have been reported in the work of hybrid teams neither by the freelancers nor by the company's internal roles interviewed. This reflects a very harmonious climate in the company, possibly due to the type of **leadership** applied by the managers. Indeed, motivation and engagement are reached thanks to relationships of **mutual trust and long-lasting** in time, and concern for people overwins concern for production in this firm. People are the priority, and a harmonious environment is a must, with no difference between internal or external resources. Thus, **conflicts are rare**. The only ones experienced in the history of the company have regarded resistance to change and to the acceptance of authority positions covered by external workers, both consequences of the strategic roles freelancers can cover in projects in Metallurgic Firm.

"Every time you are an interim manager you have to try to convince and bring people along because if you try to impose things on people internally they will not follow you. Maybe people inside the company don't see what you see and they have other problems or priorities. Then many times you change the way they work and that is difficult to impose if people don't understand the motivation." [Eng. F.]
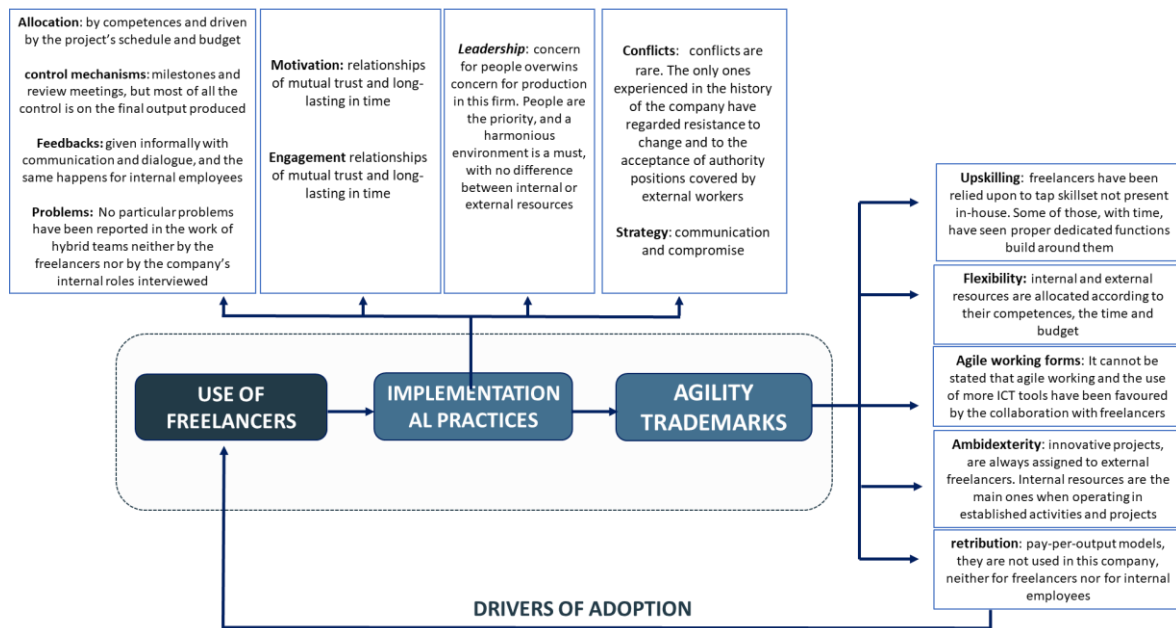
Figure 24: Metallurgic Firm approach interpreted under the Analysis Framework viewpoint

5.4. Engineering Firm

Company overview

Engineering Firm is part of a group of engineering and construction companies, founded in 2018 as separate entity of the group. The group includes the holding and other 6 companies. It is a company formed by professionals operating in the fields of engineering and construction among the first in Italy in terms of know-how in the services of Design, Validation, Compliance and Computer System Validation. Engineering Firm Group represents a valid response to all the large and small enterprises wanting to operate and win in the

chemical and pharmaceutical market, by providing engineering solutions for plants and support services to the business processes directly involved in production.

The turnover of the company is around 13 million euros with a net profit of 1 million and employing 45 employees (data of 2019).

Relationship with freelancers

Engineering Firm has a long history of collaboration with independent workers, in many different forms and for different purposes and areas of specialization. The Commercial Director has widely explained the different natures and contractual modalities of relationships with external workers. Three are the main ones:

- For some specific skillset and specialization areas, the decision has **always** been to outsource **to external collaborators**: "*This has always been the case for civil and electrical use.*"
- For other areas of specialization, which are quite recurrently needed in different projects, the **decision** whether to assign an activity to an internal or external resource **can vary from time to time**: "*Each time we decide which activities to give outside and to whom.*" Indeed, "*We decided that some specialities that do not belong to our core business, such as construction, civil or electrical, we would outsource.*"
- A third possibility is a type of collaboration whose borders are blurred with the relationship company-employee for standard internal employees. In this case, as for example in the case of Eng. M., the difference with a standard employed worker is purely **contractual**, with all the flexibility matters implicated.

Overall, this brings Engineering Firm to have a hybrid workforce with many shades of professional relationships with its workers, covering a wide spectrum of what has been called by the literature open continuum. It can be stated that Engineering Firm has successfully build an effective workforce ecosystem.

This company does not rely on institutional channels to find collaborators, but usually searches and finds professionals counting solely on the partners' and present collaborators' **personal network**.

The reasons why revolving to freelancers instead of hiring internally all the potentially needed resources are the following: first of all, organic growth has the problem of maintenance over time in the long term. As Commercial Director explained:

"Growing more than 10% per year is hard because we like to on-board both young and experienced people. But the young person has to be formed. On the other hand, if we hire too many experienced people, it shakes things up in the organisation. So, going outwards gives you greater speed and therefore balances internal and external growth. The use of outsourcers also makes it possible to cope with current needs without burdening yourself with staff that you have to keep but will not use."

A disadvantage to be taken into consideration though is the internal resistance of some of the PMs, *"who, despite being young, sometimes prefer to have the resource close by"* [Commercial Director].

One disadvantage is overcoming the **internal resistance** of those **PM**s who, despite being young, sometimes prefer to have the resource close by for a smoother flow of information and easier monitoring and control. Another point of attention emerged from the interviews is that embedding external resources into project teams forces to follow a more structured **planning process**, designing programmes and deciding ex-ante which activities to outsource and which others to insource, setting deadlines and budget.

"Then it forces everyone to plan a bit, because it is easier with internal staff, they are more flexible, you can move them from one project to another. An outsider, on the other hand, has to be planned in advance and included in a programme." [Commercial Director].

Finally, the heterogeneity in project teams may imply **different approaches** and ways of designing, bringing to the need of extra effort in integration and orchestration of the team.

Upskilling and innovation are strongly favoured in Engineering Firm by the use of a heterogeneous workforce, in particular innovative ideas and ways of working may emerge even unexpectedly and naturally by freelancer collaborators, without explicitly looking for them.

Agile working and the extended use of ICT tools like the Microsoft digital workplace in this company have been pushed by the pandemic situations and the lockdowns of 2020, more than by the collaborations with freelancers.

As for the **retribution models**, the norm in Engineering Firm is to pay freelancers and all the other collaborators with the same modalities with which the final customer of the project pays the company itself: if the client buys a package of working days, then resources will be paid according to the number of hours worked, if instead the work is paid on the basis of the whole project and the activities required, then workers tend to be paid per output. The modality is different for the internal since the fixed part is by contract the major part, nevertheless merit has a strong weight on the retribution of internals too.

Usually the **Parcelization** of project activities follows a different method according to the single project and the single project manager, but there is always an allocation based on competences, for internal employees as well, and on workload. The figure inside the company with which external collaborators usually relate the most is the **project manager**, often coinciding with the head of an internal function.

Control mechanisms are not very different for external and internal workers, and are usually informal checks on the output produced and on timings.

As for the **leadership style** adopted, it is the same for all the workers and collaborators of the hybrid spectrum, and this aims also to stimulate **engagement**, for example organizing company's events and team building off-site weekend. The **concern for people** goes alongside the concern for production and they have the same relative weight for every kind of worker.

Conflicts are not frequent in Engineering Firm, where there is an overall harmonious environment, but criticalities may arise when deadlines are not respected. In the view of the Commercial Director, they depend much on the human nature of the parties involved, and there is no one-best way to deal with them: the main strategy followed by the company is based on communication and compromise.
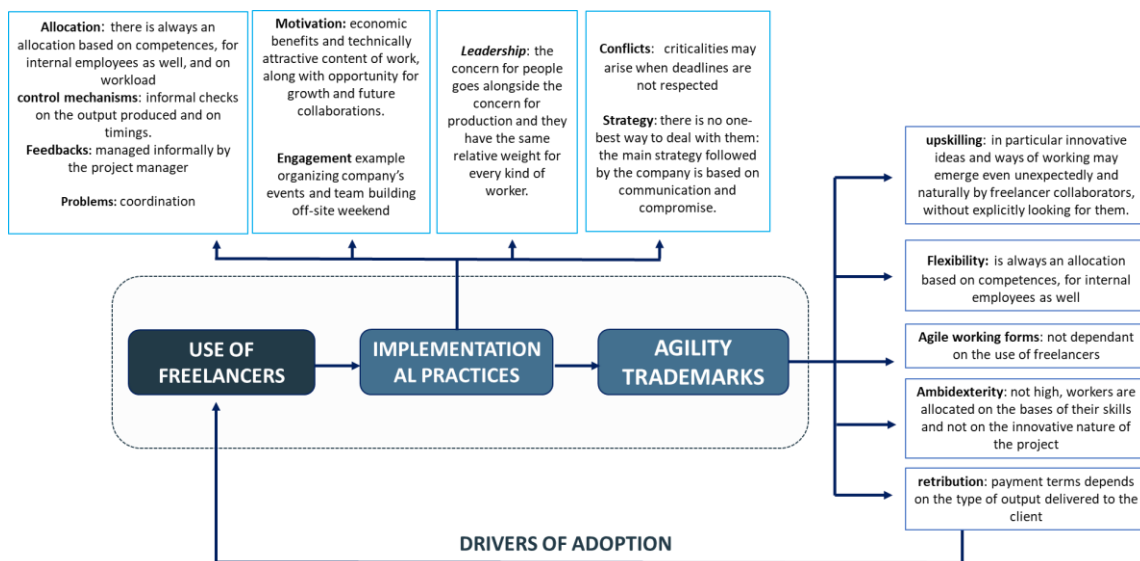
Figure 25: Engineering Firm approach interpreted under the Analysis Framework viewpoint

5.5. Manufacturing Firm

Company Overview

Manufacturing Firm is an historic Italian brand for lighting in the dental sector, founded in 1948, and in continuous search for excellent quality, creativity and innovation. Manufacturing Firm provides products and "lighting systems" to improve the overall "light experience" for customers, following the belief that "light is not just sight, but above all life and well-being". In particular, it designs and produces equipment for the manufacturer of dental units, dental cabinets and dental laboratories. Throughout its history the company has filed more than 34 patents, and, thanks to a widespread network of official distributors and resellers, it is present in more than 50 countries around the world. The core business of the company can be synthetized in four main product lines:

1) Illumination led and halogen

2) Sterilization and water treatment

3) Instruments for dental cabinets

4) Components for dental units

Relationship with freelancers

The pervasiveness of freelancers' use is of recent date in Manufacturing Firm: if on one hand they have always been in the company with marginal presence, there is a **trend of growth** in this phenomenon in the recent years. As the General Director told us:

"Since I have become General Director, a more continuous relationship has started with them".

In general, the driver pushing Manufacturing Firm's managers to turn to external freelancers is the **need for competences** absent inside the company, as the General Director reported. Anyway,

"A great deal of importance has the interest of the person requesting for consultancy."
[Operations Manager]

As regards the **channels and intermediaries** used to reach freelancers, Varisco revealed to lever on *"either courses or webinars"*, getting in contact with the lecturer expert who demonstrated to be expert of a specific subject or field. In particular, a key role is played by universities, which represent a relevant source of talents. Whereas, as a general rule,

"We go through agencies and specialised personnel" [General Director].

Several **criticalities** were raised in the course of the interviews. For example, a possible cause of problems and conflicts raised is the eventuality of running late with respect to due dates, which makes always easier to blame the external worker even if the deep root of the problem may lay otherwise. Another common issue is the alignment internal – external workers. As General Director states:

"We are aligned since we have been working together for 30 years, we have a very high retention rate among employees. Hence, it is not easy to fit in a group like ours".

Insights emerged

According to the company members interviewed, in Manufacturing Firm freelancers did bring to an **upskilling** effect, their skillset being sticky to the business functions for which they are sought for. Indeed, the trend is to rely to freelancers for innovative projects of change management, strategic consulting, organizational restructuring, vertical function modernization and akin.

"We always try to absorb the competencies." [CEO]

"The ideas [brought in by freelancers] allowed us to change the way we worked."
[Commercial Director]

"Absolutely yes, [there has been an upskilling effect], and then these skills were absorbed."
[Operations Manager]

It can be reasonably stated that in this company the use of independent workers has had an impact also on **flexibility of resource allocation**. Usually, they get allocated to projects and tasks on the basis of their competence, and at present state the same criterion is used for the internal staff too. By contrast, it cannot be asserted that working with self-employed has brought to neither more agile working nor intensified exploitation of ICT tools.

In general, there is a reflection when deciding whether to allocate more strategic and innovative projects to external or internal workers, depending on the specific project, the skillset requited, the time duration, the level of strategicity, the will to protect a specific know-how or innovative idea. In any case, there is a decisional process dedicated to the **exploitation-exploration** approach which takes into consideration as variables freelancers and internal teams, so that the **relevance of freelancers** in the question is evident.

The remuneration and the adoption of **pay-per-output models** is a discussed point. Indeed, the typology of contract and economic agreements depend case by case, even if there is a

major part of consultants and external collaborators which gets paid by Manufacturing Firm on the basis of objectives and output. Even though the specific payment logic varies in every single case, there is a general ratio behind.

"It depends on the possibility: it's clear that, if I had the choice, I'd make the minimum fixed and then a very challenging variable, which could then, on balance, reach a higher objective than the one you're asking for as a lump sum, but it's not always possible to negotiate something like that with everyone." [CEO]

Internal employees do not strictly follow the same logic, by contract definition, but there is a trend which has shifted towards the same approach. It is again well expressed by the CEO:

"As far as internal employees are concerned, they are not paid on a project basis, but clearly the board of directors has an incentive table based on objectives, just as the sales force is structured in this way, so there is a small fixed portion plus a large variable portion."

Let's now analyse the answers collected to shed light on the second research question.

Projects and tasks are **split and assigned** to resources, wither internal or external, by a decisional roundtable composed of the CEO and the principal area managers. The project manager, generally coinciding with a function manager, assigns then the roles and tasks to people according to their competencies. This process in unique for employees and freelancers. The coordination role is then assumed by the manager of the area interested by the scope of the project or, for more strategic projects, by the CEO directly.

As regards **control mechanisms**, the ones adopted for monitoring the work of external workers include Gantts, KPI dashboards, the monitoring of times and costs, but also more *personal* ones.

"The control takes place with a Gantt on the activities that are carried out according to the previously scheduled programme, then internally these KPI dashboards are actually created: for production they were the level of service, efficiency, the quality system..." [Operations Manager]

"As far as my part is concerned, it is very simple, because you go by results. As far as safety is concerned, there is little to say other than the issue of the various documents that must be produced in compliance with the law, i.e. risk assessment and so on. As far as the pay slip is concerned, the pay slip comes by itself because if I pay late I send all the people I haven't paid there, so the quality is self-explanatory. As far as the IT part is concerned, it's more the feeling of satisfaction from all the other colleagues and users: the response time we manage to give" [HR Manager]

"Usually with KPIs that are established right at the preliminary stage of the project." [Commercial Director]

"More by feeling, as general manager I feel if something has improved in the company. If I don't have this feeling, the manager has the right and the duty to show me the KPI charts he has worked on. I go more by feeling." [CEO]

The mechanisms are quite similar for standard employees.

"This mechanism is also the same for internal employees. The KPIs are mainly applied to employees, but also to the freelancer part. Employees, however, are the ones mostly involved in the KPI part." [Commercial Director]

Also **feedbacks** are managed in the same way for all the members of hybrid teams.

"As far as feedback from the project manager is concerned, it is handled quite informally and this is the same for internal and external." [Commercial Director]

"Usually with reports, minutes, or tasks that are assigned through a TODO list to the various board members and then on a regular basis we meet for progress." [HR Manager]

"In a small to medium-sized company like ours, it's very simple: they come to me and either tell me to fuck off or say 'this is wrong', there is no process in this respect as far as my area is concerned. This attitude is the same for interns" [CEO]

The main **problems** which have been observed in this company with the work of **hybrid teams** are the misunderstandings of internal dynamics by external actors or purely relational.

Moving to the investigation on the **leadership practices** adopted dealing with hybrid teams;

113

- **Incentives** to freelancers are given by manifesting the need for their know-how and expertise, being transparent on the change process and showing the improvements from the as-is to the to-be status, and finally by living up to their economic expectations.

- **Engagement** is created through the same systems aforementioned to incentivise; through frequent meetings to meet and get to know all the internal functions and people, but also customers; by encouraging the establishment of a long-term relationship of collaboration

- The **concern for people** and for creating a positive relationship and harmonious environment wins in Manufacturing Firm over having a focus on the objectives to be met, even if both are considered important. According to the CEO, "*it's always a mix of the whole: that's what our company is all about. Making billions of euros but seeing employees cry is not for us. And this also applies to external resources.*" The commercial director confirms this view: "*a healthy environment, which is what leads to results and makes the difference in times of crisis and when you're not performing properly*". In any case, the approach is the same for internal and external workers. The HR Manager has a quite peculiar and specific viewpoint on this matter: "*if I am a person who has called the consultant then it must be a relationship where he has to show me that he has achieved the objectives. On the other hand, in the area where he has to go to work and collaborate and give his contribution, a more relational environment can also arise. Most fail or start having problems when they have a lot of good relations with management and few with the people they have to work with. Unfortunately, this happened quite often in Manufacturing Firm. Actually, the concept is the opposite. I think it's a mix of both anyway.*"

The situations leading to the majority of **conflicts** with a hybrid workforce in this company originate from internal resistance to change. This is the point claimed by all the interviewees.

"*Typically, when an external person has opinions that they want to implement in the company, especially at an organisational level, and they clash with the internal part that thinks in a completely opposite way or, as we said before, that doesn't listen and proceeds*

in its own way. This always generates clashes that have to be resolved in some way, by

talking to one or the other, and this is always a big problem." [HR Manager]

When asked which is the best ways to handle conflicts, the interviewees answered:

"*It is important for the freelancer to have a good shoulder from the head of the internal*

organisation, and for the people in the internal mixed group to have authority."

[Commercial Director]

"*If he believes in his project [it's up to the freelancer] to also have the courage to say I am*

not suitable for you because your resources do not want to improve." [HR Manager]

"*Never side with one or the other, also because 90 times out of 100 there is never a reason*

on one side or the other, which seem to be catchphrases and banalities, but then it is a bit

the concept of truth, of going into depth, to understand where there is an interpretation on

one side or the other and almost always then people say the same thing only they say it in a
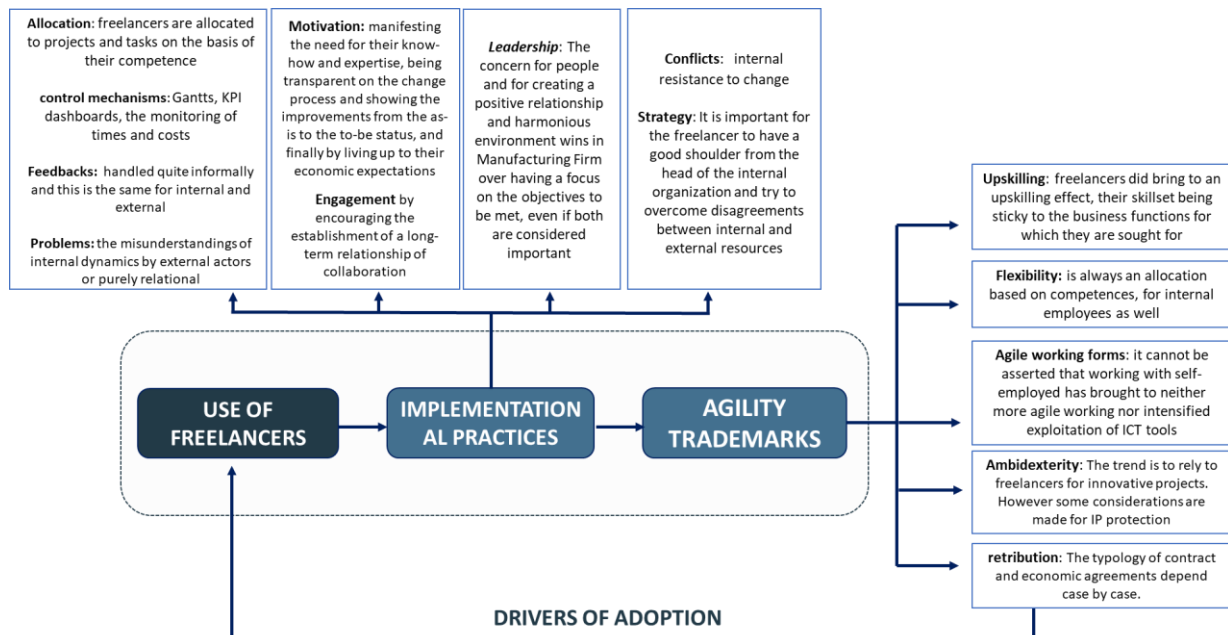
different way." [CEO]

Figure 26: Manufacturing Firm approach interpreted under the Analysis Framework viewpoint

5.6. Real estate Firm

Company overview

Real estate firm is an American company born in the real estate sector and founded in 1973 in the US city of Denver, Colorado. The business model of the company is based on operating through a franchise system. The company was established with a maximum commission concept, meaning agents would keep nearly all of their commissions and pay their broker a share of the office expenses, rather than paying their broker a share of the commission of each sale, which is common in residential real estate. Today it accounts for more than 130.000 realtors and operates in 100 countries worldwide. In particular, Real estate firm ITALIA, the Italian subsidiary, was founded in 1995, it employs around 40 workers and has a turnover of around 135.000.000 € (2019). It is a public limited company with a share capital of around 500.000 €.

Relationship with freelancers

In Real estate firm freelancers have **always covered a fundamental role**. Indeed, their contractual and professional profile **suits perfectly with the nature purely commercial** of the core activity of the organization. As the founder and General Director told us in his interview:

"The nature of the seller is dictated by dynamics that must be extremely incentive-based in order to obtain the result that is the sale, so a bit like the real estate agent is similar to a company, since he is autonomous and only earns commissions, in the same way the seller should have a remuneration strongly focused on a variable quote and on obtaining results, which in our case are the sale of franchise contracts."

As for the **channels** through which Real estate firm reaches professionals to engage as freelancers, they evolved over time, but nevertheless they don't include online crowd work platforms.

"We have always placed simple advertisements, at the time in newspapers, and then lately we have turned almost exclusively to portals, some of which specialised in this type of VAT-registered figure. We've always tended to set up our own channels. We haven't had much

success with specialised agencies, for example, so we've either placed ads on portals or

through our website."

The main **advantages** professed by the General Director and the HR manager are in line with the reasons why they rely on freelancers in general:

"*Having resources which, first and foremost, are more independent and empowered and*

strongly motivated to achieve results." [General Director]

The main **disadvantages** the CEO and the HR told us regard timing and coordination between activities carried on by freelancers and those performed by internal business developers, and aspects strictly related to the professional mindset the proper freelancer should possess to master his or her role:

"*Criticisms that may arise are those of lack of results, also because obviously we rely on*

their total autonomy, and therefore apply less control, so that they must be people who are

able to perform such tasks; when we get the figure right, it can prove to be very satisfactory

for both of us, it is obvious that if we get the position or the person wrong we both end to be

a little disappointed." [General Director]

Insights emerged

As regards **upskilling** and internal absorption of competences, for the very peculiar nature of the jobs outsourced in this firm, as already explained, it has not been observed.

The **parcelization** of area of action and **assignment** to single freelancers is done by territory and usually decided by the top management, according to the expertise of workers, their area of residence and consequently their knowledge of the region, and according to its extension. As can be forecasted, **no influence** has verified of their inclusion in the workforce on the adoption of **agile working forms and ICT tools**, since their own work is predominantly based on physical presence and transfers in the first place. There is also no such distinction as that between **exploration and exploitation** in this kind of business model.

The **pay per output model** in Real Estate Firm is the golden rule, especially for freelancers which are remunerated according to the number of contracts they get to sign, id est on the number of customers they succeed in converting, as well as on others KPIs monitoring the different steps of the marketing funnel. Nevertheless, internal workforce may follow different criteria, since the wage is usually fixed with only a portion of variable addendum.

The business roles in charge of **coordination** are called in this company **Team Leaders**, as head of the function including all the freelancers, called Expansion Team. The Team Leaders are two, again following a ratio geographical division, one for the Northern part of Italy and the other for the Middle and Southern part.

There are different mechanisms adopted for controlling the work of external workers.

"There is the quality department which does checks on both the appointments made and the activities carried out by them. It's clear that when you get to the signature there is a signed document. So controls are carried out from headquarters. No control mechanisms are applied to internal staff. The only control is the time clock system for those who are present. So the controls are different." [CFO & HR Manager]

"Reporting and also the updating of a database. There is also a management software that is used precisely to record the appointments made, but it is also true that the control is more on the quality of their work, i.e. on the fact of having made the appointments, in the sense that we check whether the appointments are made or not precisely because we pay these appointments a token. Then the rest of the control is actually a question of the results that come in or don't come in, so if one doesn't work one doesn't make the appointments and if one doesn't make the appointments one doesn't bring anything home and after a while the usefulness of the work is also exhausted." [CEO]

The **feedbacks** are usually managed by Team Leaders, bi-directionally. On the other hand, feedbacks to in-house employees are managed by their direct supervisor or sometimes by the HR Manager. The process is quite unstructured and informal in both cases, with no significative difference, but different roles are in charge of providing them.

In this company, the major **criticality** in the management of hybrid teams is the scarce communication and collaboration between business developers and the expansion staff, which often causes frictions or unmet expectations of customers, due to a misalignment in the customer relation approach of the two mentioned group of players.

As regards the **leadership style** adopted with independent workers:

- **Motivation** is fostered through job rotation and economic benefits when positive results are achieved
- **Engagement** is promoted with contractual or economic benefits and with the possibility to participate at events organised by the firm
- As for the dichotomy between **concern for production and concern for people**, as discussed in the previous case studies, both the HR Manager and the CEO share the same view: they are both equally important and good results come as consequence of a positive working environment, and this applies in the exact same way both to freelancers and employees

The most **conflictual situations** in Real Estate Firm are generated by scarce or ineffective communication flows and inefficient sharing of information. The best way to handle conflicts, when they arise, according to the HR Manager, is the following:

"Listening to them and gathering internal suggestions so as to intervene authoritatively but without too much imposition. This kind of attitude is also applicable to internal workers, although with less delicacy because internal workers are subject to a certain hierarchy and directives in another way, so it is easier."
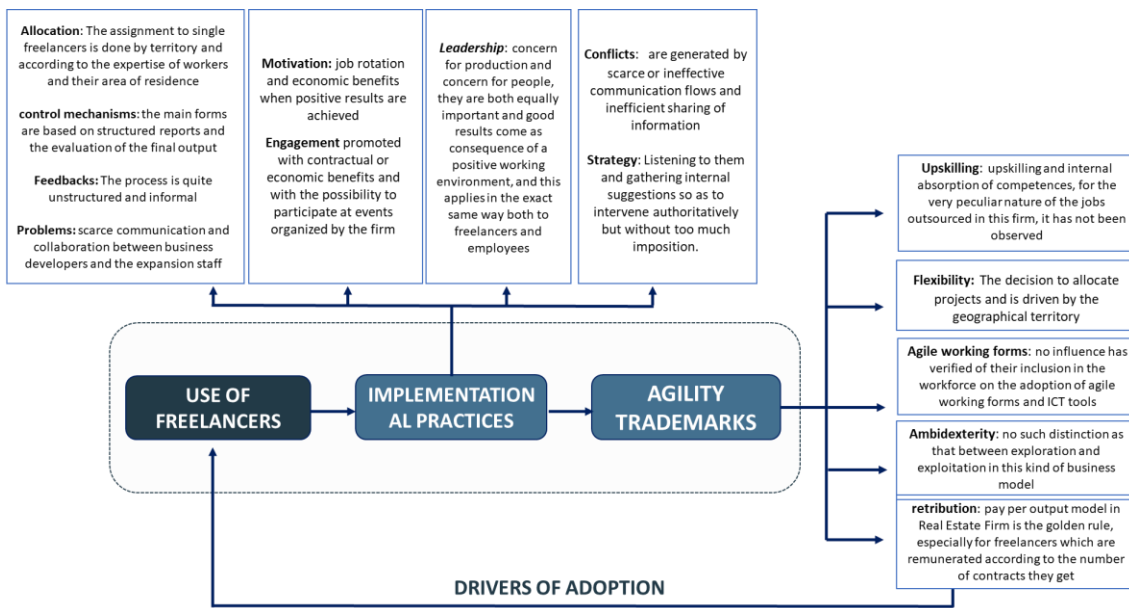
Figure 27: Real estate Firm approach interpreted under the Analysis Framework viewpoint

5.7. Finance Firm

Company overview

Finance Firm, founded in 2009, is a boutique active in the sectors of impaired loans and real estate with a specialization in providing a wide and well-defined range of activities and tailor-made services: from credit management and recovery to scouting and investment in NPL portfolios, from real estate services to legal advisory. The company operates on behalf of institutional and private investors in the credit market through a peculiar approach focusing, in addition to the acquisition of large portfolios, on the acquisition of portfolios composed of individual positions, with the only distinctive feature of high quality in terms of real estate collateral. Today Finance Firm employs over 50 employees and professionals in Milan and Rome and collaborators operating throughout the territory in different areas of expertise. Today, Finance Firm is mainly focused on the management and purchase of portfolios on behalf of institutional and/or private investors.

The company's turnover accounts for 10 M€, while the net profit 1 M€.

Relationship with freelancers

The company **from the very beginning has made use of external resources** such as freelancers and other related forms of consultancy. As stated by the interviewed project manager, this approach has always represented a suitable opportunity for bringing know-how inside the company, especially for those areas that don't belong to the firm's core business, such as the legal department. Furthermore, what is remarked both by the project manager and the HR manager, is the possibility to get **access to these resources in a shorter time** if compared with the traditional hiring process of internal employees.

"I would say that the main reason why we go to external people is the possibility of accessing know-how that we don't have at the moment, and that's kind of the logic behind every recruitment, but if we have to activate the whole selection project, that takes weeks to months. So, we often rely on certified freelancers with a good reputation. In this case we can have them available within a few days" [Project Manager]

Of course, this choice does not come without risks: in particular, the main one highlighted by the interviewees are represented by the possibility of not being able to employ the same resource for future project. This is strictly linked with the nature of freelancers, being them involved with different clients at the same time. In fact, ensuring freelancers availability may represents a critical issue.

As regards the **channels and intermediaries** used to get access to external resources, the main options are represented by online platforms, from which the company can reach e-lancers, or other solutions such as LinkedIn. Also, the acquaintances developed during the years with practitioners and other professional profiles are particularly useful: addressing to freelancers previously involved in past projects may represents an additional advantage since, from the side of the company, there is no need for further investigations on the real competencies of the freelancers, and, on the side of the independent worker, the culture and methodologies followed by the organization are already known.

Insights emerged

According to the interviews taken, it has arisen that freelancers and independent resources have brought to an **upskilling** in the company, leading to a transfer of know-how from external to internal employees.

The decision to **allocate** projects and activities to internally hired employees or to freelancers depends on the predictability of the competencies' need. As reported by the Project Manager:

"The tasks to be performed are identified before the selection of the resource, and according to what is required by the position we select the most suitable resource. So, it is the skills and experience of the people that guide us."

Always according to the evidence provided by the Project Manager, directly involved in the coordination of workers, this approach is the same applied for internal employees:

"I would say that this is an approach we have always followed for projects, but not only for freelancers but also for in-house staff, as employees can also have different knowledge or qualities that make them more suitable for one task or another."

For what concerns the adoption of **agile working forms**, this has been proven to be a direct consequence of using freelancers:

"Independent workers don't have an office or a desk in our headquarter, they usually work with us from other places. It's for this reason that also the rest of the people must adapt to this way of working, maximising the use of ICT technologies" [HR Manager]

The **pay per output models** are the ones adopted typically for freelancers as the lawyers, but they do not necessarily apply also to internal workers.

Processes and projects are managed by internal project managers, who decide which person, either internal or external, is best suitable for a specific task according to their competences without discrimination between employees and independent workers.

"The role that does the identification of the need skill is the project manager assigned to

that project, obviously with the support of the other roles." [Project Manager]

As arisen from the answers, not only the project manager is involved in this preliminary part of the project but other roles as the technician, which have a deeper knowledge about the tasks to perform, and also the HR Manager, which will select the best resource among internal and external resources according to the available profiles.

The project manager and the HR manager are normally the roles in charge of the hybrid teams: the first follows mainly the day by day and more operative activities, while the latter intervenes in case of conflicts or issues that may emerge among the workers.

The main **control mechanisms** applied in the company are quite homogeneous among internal and external workers. Agile project management techniques, as reported by the project manager, appear to be the first choice: this choice brings to the whole team relevant benefits in terms of efforts required and quality of the final output.

"We try to apply the techniques of agile project management, therefore introducing

intermediate review moments: we don't wait until the end of the project to check whether

the result is acceptable or not, because if it is not, we would have to redo the whole project,

and this would be a waste of time and money, as well as possible client dissatisfaction."

[Project Manager]

On the other hand, **feedbacks** are managed in a quite informal way, both for internal and external resources:

"[…] during the whole project the resources can have the support of the project manager or

the most suitable role, and receive feedback on what they are doing or how they are

behaving. It's very informal. Actually, for internal people it's very similar although a bit more

structured because the feedback is embedded in a context of growth within the company

and a certain career path. So, there is a feedback period every three months." [HR manager]

The **problems** with managing hybrid teams experienced by the firm are mostly related to the higher effort required in terms of coordination: one factor that contributes to this higher complexity is related to the lack of an exclusive relationship between the organization and the freelancer:

"Often (freelancers) work for several projects and companies at the same time. So they are not totally dedicated to you. So, it can happen that work temporarily stops because the freelancer is not available to work for you on that day." [Project Manager]

The leadership style adopted with freelancers and e-lancers in Finance Firm is the following:

- **Encouragement** is obtained by providing economic bonuses and offering a job variety that can satisfy the freelancer as well as further collaborations in the future, trying to establish a long-term relationship;
- **Engagement,** even if difficultly created, is pursued involving the independent workers in the decision-making process: in this way, according to the project manager, these resources feel more valued by the company and it is more likely that they develop a stronger bond with the company
- **Concern for both production and people** is the lead choice followed by the company: this leadership style is aligned with the two main concerns of the finance firm, i.e. reaching the final result and developing a strong partnership with the freelancer.

Most common sources of **conflicts** in Finance Firm are represented by communication issues, generated by the lack of full transparency between freelancers and employees. The best way to handle them, according to Project Manager, is to find a compromise through rational communication and trying to anticipate the problems: for this matter the high attention and participation of all the managers on how employees and independent workers behave is crucial.
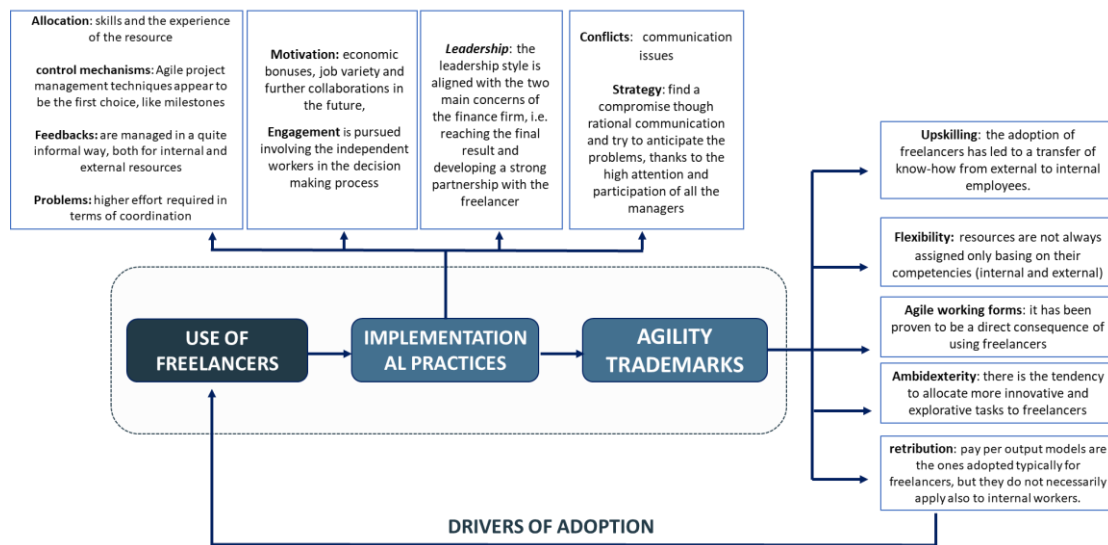
Figure 28: Finance Firm approach interpreted under the Analysis Framework viewpoint

5.8. Pharmaceutical Firm

Company Overview

Pharmaceutical Firm is an Italian pharmaceutical organization, specialized in producing and commercializing solutions of high therapeutical value, and a relevant player in the national pharmaceutical market. It was born as a merging of two different parent companies, one founded in 1917 and the other in 1972. The company has always had a focus on innovation and growth exploiting both internal and external resources available. Indeed, Pharmaceutical Firm has sustained its own development also thanks to a sort of *external lines growth*, as indicated in their website, that is partnerships and acquisitions contributing to enforce the image of a dynamic organization, with an articulated product portfolio ranging from vascular to cardiometabolic, from respiratory to antibiotics and osteoarticular areas, including vitamin supplements and over-the-counter drugs.

The research for innovative products to improve health and quality of life for people, at the heart of Pharmaceutical Firm's vision, is pursued thanks to and shared by over 380 external collaborators.

Relationship with freelancers

Freelancers and **external collaborators** in general have a **long history** in Pharmaceutical Firm: these kinds of resources have always represented a valuable solution to fill in internal skills gap and provide support during the execution of tasks and projects. Among the main areas the IT department and the legal one are the most interested from this perspective.

"external consultants are fundamental for the existence of our company: having all the possible competencies and know-how inside is not possible, so there are moments in which is better to take advantage from what is outside" [R&D Employee]

And

"[...] sometimes deadlines are very strict, we need answers on a very small amount of time and using freelancers is the solution that allows us to have those answers quickly" [R&D Employee]

A disadvantage to be taken into consideration though is the higher effort in terms of coordination that is need. As explained by the HR manager:

"With internal employees is quite easy to take them under control, this is not true with freelancers because they usually works from home. [...] they also have a higher autonomy by contract, so the team leader or the person in charge of controlling its work is not always able to control how the work is executed"

For what concern the **channels** that are exploited to get access to external resources word of mouth with other companies of the sector is essential, and represents the main source aside more structured employment agencies.

Insights emerged

According to the company members interviewed, the **upskilling** effect brought by freelancers is not so strong: this can be easily explained, following the HR Manager words, by the fact

that independent workers are mainly employed for those tasks for which the interaction between freelancers and employees is very low:

"No, I would say that there is not this kind of effect in our company since the work of freelancers is not related with the one of our employees: they are usually called to perform ancillary activities for which they are considered experts and far from our core business"

For what concern the **allocation** methods, two are the main drivers:

- Necessity: freelancers are mainly employed to meet needs in terms of time and deadlines (i.e. to support the internal team in case of overload periods)
- Competencies: as reported by the HR Manager words above cited *"they are usually called to perform ancillary activities for which they are considered experts".*

Then, regarding **ambidexterity**, what can be deduced by the interviews, and confirmed by the insights above reported, is that there is not the tendency to allocate more innovative and explorative tasks to freelancers: on the contrary, independent workers are called to perform established and consolidated tasks to leave innovation to the internal employees.

"Most of the times we ask support to external people with the most not value adding activities, such that we have less work and we can dedicate to new methodologies and new ways of working" [R&D Employee]

In terms of **pay-per-output models,** the main approach used by Pharmaceutical Firm is based on the worked hour: thus, the contracts that are agreed with freelancers are not based on the goal or final output but are time-based contracts.

For what concern the second research question, as regards **control mechanisms**, the ones adopted for monitoring the work of external workers are mainly based on the evaluation of the final output: this means that there is not a control over the methods followed by the freelancers in delivering an output but only on the final result. This is a signal of the low strategic nature of the activities performed by external workers. Indeed, for those tasks the importance is not on the "how" they are completed but what is important is to respect the deadlines.

"We don't control how a freelancer work, first because it is difficult, and secondly because it would be an additional effort for me: we hire freelancers to lighten our work" [HR Manager]

The main **problems** which have been observed in this company in managing **hybrid teams** are related to higher complexity controlling freelancers. This answer is in line with the one reported in the previous quotation (*"we don't control how a freelancer work, first because it is difficult"*). Coordination complexity is experienced as a criticality as well: according to the project manager, what exacerbates this complexity is the need to give directions to a dispersed team (i.e. freelancers works mainly from home or other places), thus this requires most of the time an extra effort in terms of communication and alignment.

Moving to the investigation on the **leadership practices** adopted dealing with hybrid teams:

- **Incentivation** to freelancers is given by offering economic bonuses and providing challenging tasks, not monotonous and less mechanical as possible.
- **Engagement** is quite difficult to create but is not the primary objective of the company. As stated by the HR Manager *"it is very difficult to create a bond with a freelancer because this is their nature, they are in search of many different works and it is very unlikely that we employ one of them for more than one job, not because we treat them badly or the job is not interesting, but because they like to change and work always with different organizations"* .
- In case of Pharmaceutical Firm, the main focus is on the final result delivered by freelancer, showing a higher **concern for production than concern for people.** Also in this case this statement is in line with the main drivers that push the company in using these kinds of resources.

The situations leading to the majority of **conflicts** with a hybrid workforce are very variegated. From one side contractual differences between internal and external workers are source of disputes:

"With their contract freelancers can leverage on a higher flexibility and autonomy, for instance they are not constrained by the traditional working hours. For this reason they are envied by the internal employees" [HR Manager]

Also, misunderstandings in the specification of the activities to be performed, directly connected with the lower presence of freelancers in the everyday life of the company and to other communication barriers, may represent a problem, which consequently leads to economic issues in case the work must be re-done.

As the main way that is applied in **response to conflicts**, the answers provided by the two business roles can be classified in the category "avoiding":

"As a general rule we try not to address too much the disparities that may emerge, even if they don't interfere with the correct proceeding of the work: we try not to spend too much time on them because in the majority of the cases they are not related to the professional sphere but are more personal"
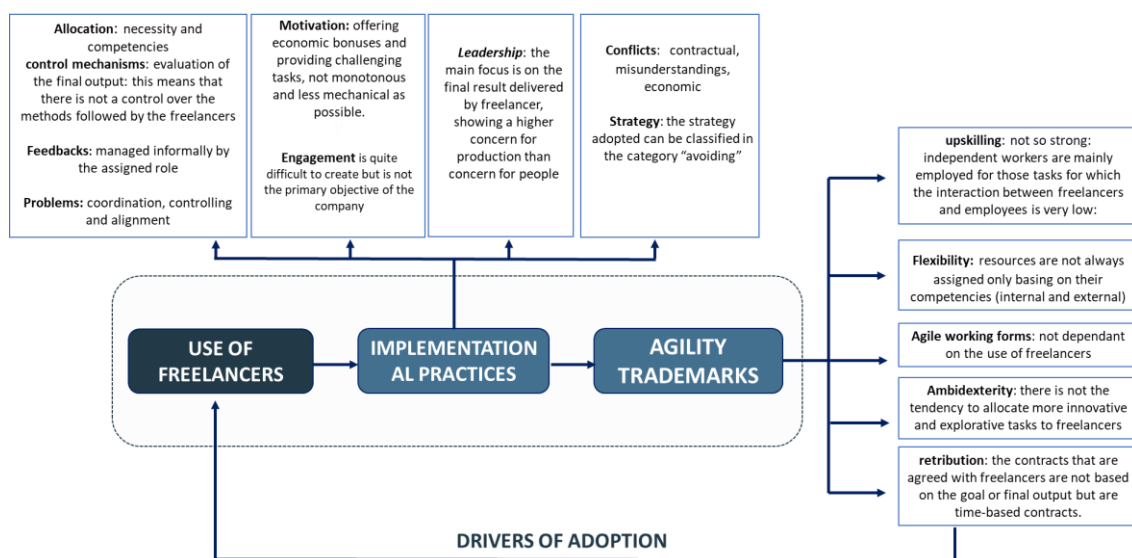
Figure 29: Pharmaceutical Firm approach interpreted under the Analysis Framework viewpoint

5.9. Freelancers

It is important to remember that some of the freelancers were directly involved in the life of the companies interviewed, in a more or less hybrid spectrum of resources harmoniously collaborating with each other and with few structural differences beside the contractual one, some others were occasional or una tantum external collaborators of the selected firms or

direct knowledge of the companies, others were collaborators or direct contacts of the firstly interviewed freelancers.

In this paragraph a brief overview of their background, area of specialization and past experience will be presented, followed by the main findings emerged.

Eng. G.

Eng. G. has been working as an independent self-employed worker for 15 years, thanks to his entrepreneurial nature which led him to prefer being his own boss and shaping his own career. After a degree in electronical engineering, he worked for over 15 years as employee of different technological and consulting firms, as well as an entrepreneur attempting various start-up kick-offs. Today, he works as independent consultant in the area of strategy and marketing.

Eng. F.

Eng. F. has worked for some 20 years as independent professional, either working alone or collaborating with some associates. Having a university background in engineering, she has specialised in the field of operations and logistics, and eventually developed a career path in the consultancy sector of this field for small to medium sized Italian companies. Advantages reported by Eng. F. as benefits of the independent working life of a freelancer are:

"You see maybe the same thing applied in different ways: you see for example different products, different offices, different people and by putting together what you see on one side and what you see on the other side you can create something new."

This enforces the statements of the literature about new knowledge being brought and shared by freelancers who are more likely to have a more diversified experience of the market. On the contrary, the main challenge faced in her experience is to establish authoritative positions and to win internal resistance to change.

Doc. G.

Doc. G. is a freelancer and has been such for a couple of years. Her area of specialization is a peculiar and vertical one.

"My area of specialisation is social innovation and social impact particularly in the field of public policy, i.e. public policy, public policy management, policy recommendations and so on in the area of social innovation."

Her previous experience was with some of the companies with which she still collaborates, the decision to change the nature of relationship was bi-directional but mostly pushed by herself.

Arch. D.

Architect D. is an architect with a peculiar career history, indeed, as he pointed out to us during his interview, he never worked as an architect, his subject of graduation. After working for some years as employee, his free nature and entrepreneurial spirit brought him to the decision of changing the nature of his relationship with the counterpart (the outsourcing company) of his working arrangement.

"I graduated in Architecture in 1995 but I have never worked as an architect because since then I was already working and working as an entrepreneur, so I graduated for my personal satisfaction but even then I was already working in a construction company. For 30 years I have been working in the real estate sector, whereas at the beginning I worked in the construction company seeing all aspects from construction to administration to marketing. In recent years, however, I have undertaken this new activity by turning over a new leaf, I had the opportunity to work in this commercial type of work at Real Estate Firm, because I went from an administrative and entrepreneurial job to a commercial one, I opened my own VAT number, unlike before when I worked in a company, and I am a freelancer."

Doc. C.

Doc. C. has had few working experiences before deciding to turn into an independent worker. This brought him to the position of relevance he covers today inside Real Estate Firm as Team Leader for Northern Italy. His area of specialization is the commercial one and in particular in franchising businesses, selling brands is his vocation.

The main insight worth to be underlined emerging from a cross-case analysis on questions posed specifically to the freelancers interviewed is the confirmation to what pointed out by the state of art literature. In particular, the most quoted advantages and drawbacks of working as independent professional, which are hereafter reported in exemplifying charts, perfectly retrace what unfolded by the literature review.

5.10. Cross-case analysis

This paragraph has the aim of highlighting the main points emerged from the interviews to companies and freelancers regarding the research questions before individuated and explained in the dedicated paragraph.

The main insights responding to the sub-questions of RQ1 are displayed visually in *Table 20* and *Table 21.*

Table 20 shows the principal motivations pushing to rely on external freelancers. The main emerging motivations appear to be time flexibility and budgeting or cost variabilization. Thus, speed and cost appear the most appealing agility drivers moving companies' decision to rely on external workers, as hypothesized and already hinted in phase of literature review.

<div align="center">Main drivers of adoption</div>

IT SERVICES FIRM	Time flexibility - balancing organic and external growth – competencies
WEB SERVICES FIRM	Time flexibility – competencies
METALLURGIC FIRM	Competencies
ENGINEERING FIRM	Time flexibility – balancing organic and external growth
MANUFACTURING FIRM	Time flexibility - competencies
REAL ESTATE FIRM	Cost variabilization – objective-oriented resources

FINANCE FIRM PHARMACEUTICAL FIRM	Competencies
	Budget & cost variabilization – time flexibility

Table 20: Main drivers of adoption

How are freelancers and employees assigned to tasks and projects? Are they allocated to the different tasks and projects on the basis of competencies? Have freelancers had an impact on project teams' flexibility, that is, do companies follow the same allocation drivers for internal resources? Which is the role in charge of parcelizing and assigning tasks to resources in hybrid teams? The following Table (*Table 21*) provides an overview of the interviewees' points of view on the practices experienced in their organizations and the resulting effects. Competencies and time-budget constraints appear as top drivers of parcelization, while project managers are most often the roles in charge of both parcelization and assignment of tasks. The first fact is proof that responding to short-term immediate talent gaps by tapping them with temporarily engaged high-skilled resources is still one non-negligible reasons why fetching freelancers. The second reveals a predominant approach among different companies and across varying industries.

	Parcelization method	*Role in charge of parcelization*	*Different int-ext workers?*	*Who assigns*
IT SERVICES FIRM	Competencies, Workloads; Necessity (time & budget)	Project manager	No	Delivery manager; Service manager; Project manager
WEB SERVICES FIRM	Competencies	Project manager	No	Project manager

METALLURGIC FIRM	Necessity (time & budget); competencies	Area manager	Quite different	Area manager
ENGINEERING FIRM	Workloads	Project manager	No	Project manager
MANUFACTURING FIRM	Competencies Necessity (time & budget)	Project manager; Area manager	No	Area manager; Project manager
REAL ESTATE FIRM	Location	Area manager	Yes	Area manager
FINANCE FIRM	Competencies	Project manager	No	Project manager
PHARMACEUTICAL FIRM	Necessity (time & budget)	Area manager	Quite different	Area manager

Table 21: Parcelization and assignment methods

Which control mechanisms are put in place? Are they different for internal and external resources? *Table 22* summarizes the main evidences emerged from the interviews. There appears to be mainly three classes of control methodologies: in-progress, with mechanisms like milestones, often unblocking tranches of payment, and ex-post controls on the final output either more structured with systems of KPIs, or more informal ones like reports and feedbacks from end clients.

	Control mechanisms	*Different for int-ext workers?*
IT SERVICES FIRM	Milestones; report; client's feedback	Yes
WEB SERVICES FIRM	Final output	Yes
METALLURGIC FIRM	Final output; milestones	Quite different

134

ENGINEERING FIRM	Final output; milestones	Quite similar
MANUFACTURING FIRM	Milestones; KPI	No
REAL ESTATE FIRM	Final output; report	Yes
FINANCE FIRM	Milestones; report	No
PHARMACEUTICAL FIRM	Client's feedback; report; Final output	Yes

Table 22: Control mechanisms

How are feedbacks managed? Is their delivery different for internal and external resources? *Table 23* summarizes the main guidelines applied in the sample of analysis in this regard. Informal communication and dialogue is the response given by the vast majority of interviewees, but also specific project management or resource management tools have been mentioned by Web Services Firm.

	Feedback	*Different for int-ext workers?*
IT SERVICES FIRM	Informal communication	Yes
WEB SERVICES FIRM	Specific tools	No
METALLURGIC FIRM	Informal communication	No
ENGINEERING FIRM	Informal communication	No
MANUFACTURING FIRM	Informal communication; report	No
REAL ESTATE FIRM	Informal communication	Yes
FINANCE FIRM		
PHARMACEUTICAL FIRM	Informal communication	No
PHARMACEUTICAL FIRMS	Informal communication	Yes

Table 23: Feedback management

Which are in your experience the main problems emerging from the management of hybrid teams? *Table 24* gives an overview of the responses collected across all the case studies: the main criticalities emerged are coordination problems, monitoring and control and availability problems of freelancers compared to the expectancies of internally-arranged workers with traditional contracts.

CRITICALITIES

IT SERVICES FIRM	Availability
WEB SERVICES FIRM	Coordination; alignment
METALLURGIC FIRM	No problems reported
ENGINEERING FIRM	Coordination
MANUFACTURING FIRM	Monitoring and control; alignment
REAL ESTATE FIRM	Monitoring and control; coordination
FINANCE FIRM	Availability; coordination
PHARMACEUTICAL FIRM	Coordination; monitoring and control

Table 24: Hybrid teams criticalities

Which practices do you use to motivate and incentivize work of external resources? How to engage them with the company? Is it a priority to have a concern for production, orienteered to achieve the final result, or concern for people, orienteered to the wellness of workers and to build a healthy working relationship, when working with external resources? Is this approach different for internal employees? *Table 25* aims to give a quick glance at the main leadership styles and approaches adopted by the different company actors in response to these questions. Monetary based reward systems and formal contractual benefits are still the most used attraction and retention methods, even if they prove to be the less effective.

	Motivation	Engagement	People vs production
IT SERVICES FIRM	Economic incentives; appealing work content; long-term relationship	Economic incentives; appealing work content	Both
WEB SERVICES FIRM	Long-term relationship	Hardly achieved	Production; both
METALLURGIC FIRM	Long-term relationship	Long-term relationship	People
ENGINEERING FIRM	Long-term relationship	Involvement in company life; long-term relationship	Both
MANUFACTURING FIRM	Economic incentives; appealing work content	Involvement in company life; Ideas implementation	Both
REAL ESTATE FIRM	Economic incentives; appealing work content	Economic incentives	Both
FINANCE FIRM	Economic incentives; appealing work content	Involvement in company life	Both
PHARMACEUTICAL FIRM	Economic incentives	Economic incentives	Production

Table 25: Leadership styles

How to establish hierarchies or authoritative positions of internal roles over external collaborators and vice versa, if there are any in your company? Which are the most common

situations that lead to conflicts? Which approach is the best to address conflicts involving external workers? Does the conflict management strategy vary for internal and external workers? *Table 26* provides a summary of the interviewed responses to these questions.

	How to establish hierarchies	Causes of conflicts	How to deal with conflicts
IT SERVICES FIRM	By contract	Economic; contractual	Anticipating
WEB SERVICES FIRM	By contract; always internal over external	Misunderstanding	Communication & compromise
METALLURGIC FIRM	Who has the competencies	Resistance; Authority	Communication & compromise
ENGINEERING FIRM	Who has the competencies	Resistance	Anticipating; Communication & compromise
MANUFACTURING FIRM	Informal; who has the competencies	Authority; Resistance	Communication & compromise; anticipating
REAL ESTATE FIRM	Informal; always internal over external	Communication; economic; contractual	Communication & compromise
FINANCE FIRM	Who has the competencies; Informal	Communication	Anticipating; Communication & compromise
PHARMACEUTICAL FIRM	By contract; always internal over external	Communication; Economic; Misunderstanding; contractual	Avoiding

Table 26: Conflicts causes and addressing strategies

6. Discussion

The outcomes of data collecting were presented in the preceding chapter. These findings are presented in this section, which includes comparisons and differences with what is known from the literature, as well as if and how previously recognized gaps have been filled by real-world evidence. Insights are broken down into three primary paragraphs, one correspondent to each research question.

6.1. First research question

RQ1: **How do freelancers impact on agility?**

The impact of freelancers on agility has been investigated referring in particular to the workforce agility and to the Agility Trademarks as identified and explained in the [dedicated paragraph](#). Hereafter, discussion on evidences emerged are grouped by research sub-question.

- Do freelancers **bring innovation and new knowledge** in the company, being more updated on market trends and needs?

It is impossible to neither categorically confirm nor confute this hypothesis, considering the limited dimensions of the pool and the numerous variables in place influencing the matter. Nevertheless, almost all the interviewed of the different backgrounds with their statements seem to confirm the hypothesis.

In general, the **specific task and skill for which companies revolve to external resources has an impact on whether a transfer of know-how and competences verifies** or not. Indeed, the companies which stated not to have observed such transfer are Real Estate Firm and Engineering Firm. In the first organization, freelancers cover an entire and specific functional area of the company with a well-defined role and quite independent from the work of the other functions employing internal staff. The same is true for Engineering Firm, where there is a neat distinction of competences which isolates the work of freelancers from that of internal employees, even if they find themselves collaborating in teams.

The cases in which the highest degree of absorption of know-how was observed are the ones in which external resources are specifically called to absolve this duty (id est to bring innovative knowledge or to manage and promote change), as in the case of temporary managers, strategic consultants, consultants for projects of change management or restructuring the organization of specific company's functions. Another kind of circumstance where this absorption of competences is particularly favoured is the situation which sees freelancers working side by side with internal employees on similar types of activities and on the same projects, with teamwork, interdependence and strict collaboration among the two.

Nevertheless, some **barriers** which could obstacle this competence absorption have been identified. The first one is **limited time of collaboration** between internal and external resources, as Delivery Manager, IT Services Firm affirmed.

"Not in every case [the upskilling effect is verified], in the sense that on the one hand because of the very nature of the use of freelancing, which is not on a fixed term basis, there is normally maybe not enough time for a skill to be passed on to a person internally. Of course, since people are almost always inserted in groups where there are employees and since they collaborate with them in the project, there is certainly a degree of transfer of competences and there is a mutual enrichment that leads to an upskilling of the people themselves, especially when I insert the person because I don't have the competence in house."

Another one is the **verticality** or level of specificity of internal staff and external collaborators, which can allow or prevent the capability of assimilating and eventually apply such knowledge.

"Their skills are not absorbed because nobody is competent in the field." [Junior Project Engineer, Engineering Firm]

The findings shown share similarities with what has been reported in the paragraph Why and How companies rely on freelancers. Indeed, the companies interviewed have declared that the **access to knowledge** and competencies not available within the boundaries of the organization is one of the **key drivers of adoption** of freelancers and external resources more in general. This is what can be found also in the words of authors such as (Fuller et al., 2020)

and (Altman et al., 2021): the adoption of alternative workforce not only increases the availability of workers but it also enhances the organization's capabilities to gain access to different types of niche expertise and hard-to-fill positions. In addition, this research shows that a shared behaviour of those companies which adopt the afore-mentioned resources is not toward a one-time approach but is oriented **to generate a long-term advantage**.
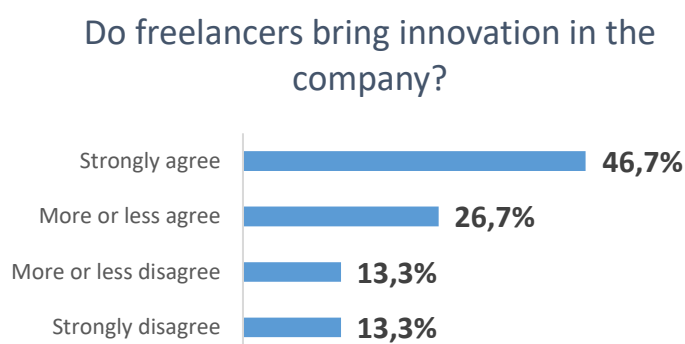
Do freelancers bring innovation in the company?

Strongly agree	46,7%
More or less agree	26,7%
More or less disagree	13,3%
Strongly disagree	13,3%

Figure 30: Do freelancers bring innovation in the company?

P.I. Accessing new knowledge and competencies is a key driver of adoption of freelancers inside companies' workforce, and their inclusion in the company's resource pool generates an upskilling effect favouring a transfer of know-how.

- <u>Being freelancers allocated to different tasks and projects on the basis of their skills, do they make project teams more flexible favoring the creation of a fluid network?</u>

The majority of the interviewed companies stated to allocate freelancers and external resources in general to projects and single tasks on the basis of their competences and skills, which is consistent to the criterion according to which they select and engage them. In addition, every firm relying on external collaborators and dealing with projects which involve hybrid teams tends to allocate also internal resources to the project tasks and project roles on grounds of their competencies and in a quite flexible way. This observation is not valid for Real Estate Firm, which as mentioned before, for the peculiar typology of business and of

organizational structure, maintains a relatively rigid separation between internal and external resources.

Altogether, we can say that freelancers have an impact on the allocation criteria for resources, making it more flexible and hinged on competencies. Furthermore, they generally **favour teamworking and organization of work based on projects**. These considerations are to be considered valid provided that the specific nature of business and organizational structure allows it, as enlightened by the Real Estate Firm case.

This result shows evident similarities with what presented in the paragraph dedicated to strategy and agility: as stated by Sumukadas & Sawhney, *employee involvement* **practices** are **key in making a workforce truly agile**. Among the main drivers which contribute to enhance the employee involvement are practices related to the job enrichment, the job enlargement and the creation of self-managed teams. The allocation of the employees to project teams basing on their skills and competencies and not (merely) on the basis of other criteria such as workload or time constraints may be seen as another way to enhance the employee involvement.
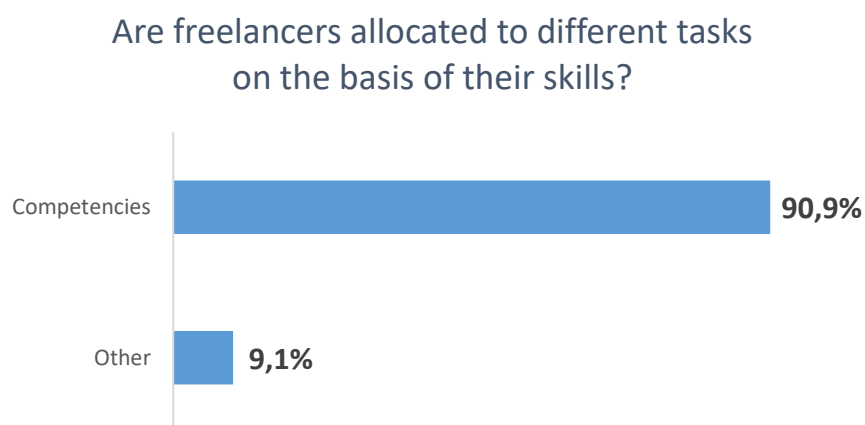
Are freelancers allocated to different tasks on the basis of their skills?

Competencies	90,9%
Other	9,1%

Figure 31: Are freelancers allocated to different tasks on the basis of their skills?

Do freelancers make project teams more flexible?

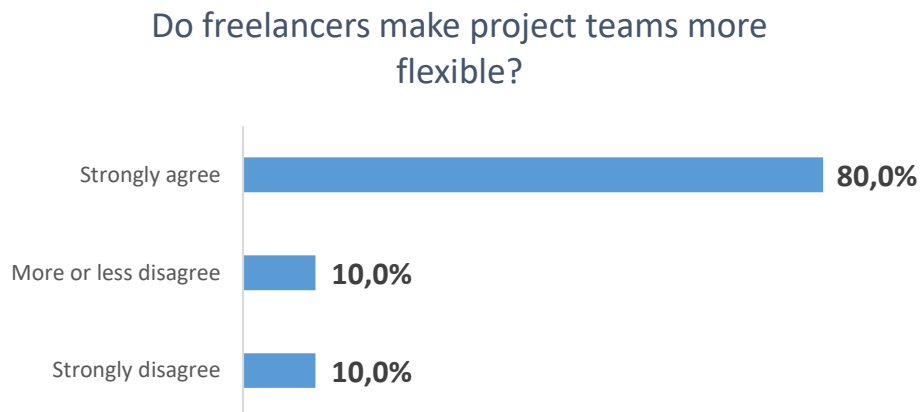|	
Strongly agree	**80,0%**
More or less disagree	**10,0%**
Strongly disagree	**10,0%**

Figure 32: Do freelancers make project teams more flexible?

P.II. The criterion to assign activities and allocate resources to project teams by competencies results successful, and makes the allocation of resources more flexible and agile.

- ▪ <u>Do freelancers favor the exploitation of digital platforms and integration of traditional and smart working forms?</u>

This sub-question has revealed to be **controversial**. Some interviewed has answered fiercely positively to the question posed, as for example Web Services Firm.

"*Absolutely yes. Let me give you an example: we have used consultants who are in India. They typically work when it's afternoon-night here. So, you don't have to be in the office anymore and you have to take it in smart working.*" [CEO, Web Services Firm]

Others completely denied having observed such effect. The question has been posed to the interviewed asking, if possible, to try isolating the answer from the influencing bias of considering the last year and the effects caused by the Covid-19 pandemic.

By and large, younger and more dynamic companies, or those with a closer contact with technology, have observed the trend under question verified; that is, relying on freelancers brought to an intensification of agile forms of working and of ICT tools exploitation. This is confirmed by the statements of CEO, Web Services Firm aforementioned and by HR Manager of IT Services Firm:

"Absolutely, for example Teams itself can be seen as a tool for sharing and so on. […] If some of them also work with clients they might use their own or other tools: it could be Skype, Meet. Our tool is Teams, which we also offer to them."

In contrast, in more traditional businesses and in small-medium organizations born with an intrinsic culture of family business, this phenomenon has not been observed. More specifically, crowd working platforms imply as consequence a broader exploitation of agile work and ICT tools, to enable collaborations with e-lancers which could happen to be in countries different and far from the outsourcer's one. This often means having a different time-zone, which obliges in a way to work at different hours and compels delayed communication, as already cited before with the statements of the CEO of the Web Services Firm.

It must be added anyways that many interviewed subjects found it difficult to separate the effects of the pandemic situation from those implied by the collaboration with external resources. This must be stressed because in Italy many markets and sectors were far behind in the digitalization wave, and the lockdowns of 2020 and 2021 had a profound impact on the ways of working for many companies, forcing and accelerating a process of transformation and modernization which in other more advanced industries or countries was already an established reality. This has already been discussed in Chapter 1, Introduction. Notwithstanding, there is also someone who sees an unexpected opportunity in this 'forced transformation'. To cite an example, CEO, Manufacturing Firm sees the newly diffused agile working solutions as opportunities for the post-pandemic future, allowing companies to revolve more easily to on-line resources abroad which were not accessible before, having the proper enabling internal structure.

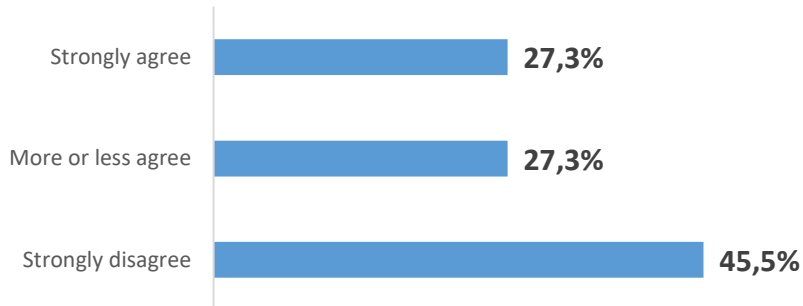## Do freelancers favor the adoption of agile working forms?

Strongly agree	27,3%
More or less agree	27,3%
Strongly disagree	45,5%

Figure 33: Do freelancers favour the adoption of agile working forms?

Do freelancers favor the exploitation of digital platforms?

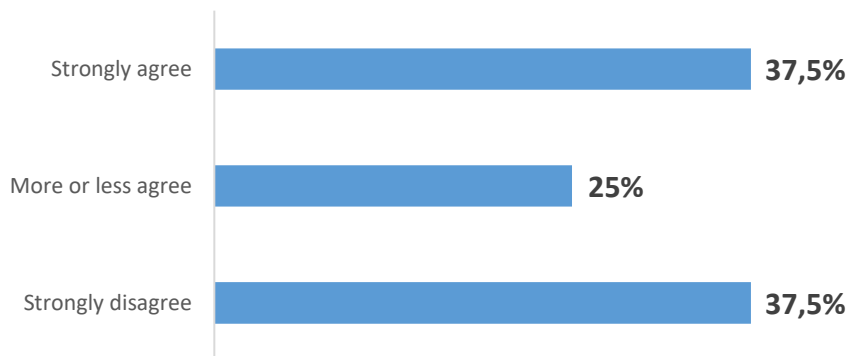|	
Strongly agree	37,5%
More or less agree	25%
Strongly disagree	37,5%

Figure 34: Do freelancers favor the exploitation of digital platforms?

P.III. Collaborating with freelancers, in specific cases, brings to the adoption of agile working arrangements, possibly extended to internal employees.

P.IV. Collaborating with a range of hybrid workers may lead to a greater use of ICT tools and digital workplaces. The strength of this linkage is affected by:

- Age of the company
- Level of technological maturity of the company
- Typology of core business and technological maturity of the market

- <u>Do freelancers favor rapid exploration by being allocated to innovation (exploration) while internal people stay allocated to the normal business (exploitation) – or maybe vice versa</u>?

This question has collected diverse answers in the different case studies. Indeed, **where there is a rigid distribution of competence and a functional separation**, as in the case of the Real Estate Firm and of the Engineering Firm, this **ambidextrous approach is not** applied, or at least, it cannot be considered a **relevant variable**. In all of the **other cases** under study, on the other hand, the presence of external resources in the workforce has a non-ignorable **effect on the level of ambidexterity** of the company's organization. In some cases it is preferred to allocate external resources to the most innovative portion of the company's activities and projects to exploit their innovative competencies up-to-date with the market; in other cases the decision is to delegate to internal resources the projects of larger scope and longer term since more strategic and potentially source of competitive advantage for the firm, as well as for a question of intellectual property and know-how protection.
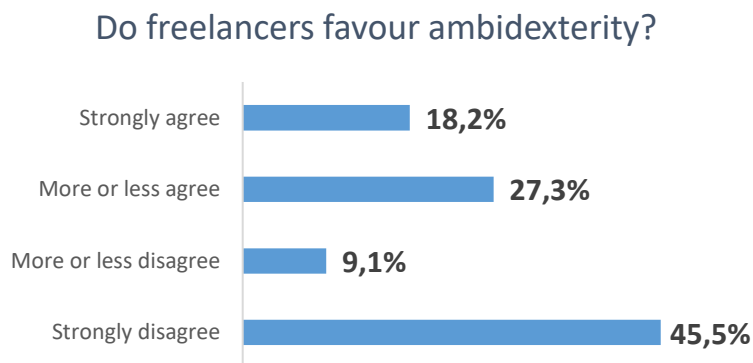
Do freelancers favour ambidexterity?

Strongly agree	**18,2%**
More or less agree	**27,3%**
More or less disagree	**9,1%**
Strongly disagree	**45,5%**

Figure 35: Do freelancers favour ambidexterity?

P.V. Adopting a hybrid workforce model influences the degree of ambidexterity of a company. In particular, when deciding whether to boost exploration by assigning innovative projects to freelancers or vice versa, key drivers are:

- IP and know-how protection;

- Exploitation of the up-to-date skills and experiences of the external market brought by freelancers.

- <u>Does the collaboration with freelancers push towards the adoption of a pay-per-output model?</u>

As regards the models of retribution of external collaborators and on-demand temporary resources, there is a high level of complexity and variety among the different companies analysed, and also inside a single firm the approach can depend on the single freelancer under consideration and the contractual form can therefore change accordingly. In any case, even if many prefer to pay freelancers on account of the number of worked hours or days, many others adopt a different approach and a retribution system grounded on objectives and KPIs, or with a minimum fixed emolument and a much more consistent payment variable according to the reach of prefixed objectives. Altogether, the **main variable influencing** the type of retribution approach is the **nature of the collaboration**: long-term and established relationships between companies and freelancers generally imply a contract with a payment on daily or hourly basis, even if with a large degree of flexibility, while una tantum collaborations usually implicate pay per objectives forms.

"We tend to pay freelancers by objective very little. That is, due to the nature of our work it is hardly (although it does happen, there are some cases where I tell you that you have to do a certain activity and your pay is this for this activity, regardless of how much you put in, how you do it, where you do it etc.)." [Delivery Manager, IT Services Firm]

Even in the case of companies adopting the pay-per-output approach, though, the specific **modality through which internal resources are paid is different**. This means that the adoption of external resources in the workforce does not impact on retributive models favouring a pay-per-output one.

Does the collaboration with freelancers push towards the adoption of a pay-per-output model?

Figure 36: Does the collaboration with freelancers push towards the adoption of a pay-per-output model?

P.VI. The adoption of hybrid workforces does not impact on the choice of retributive models.

P_1. Considering the variables under study, the embedding of freelancers and other external collaborators in companies' workforce contributes to make the organisation more agile in the following dimensions:

   I.   Upskilling and reskilling

  II.   Teamwork and flexible resources' allocation

 III.   Agile working arrangements and work at distance

6.2. Second research question

RQ2: **Which are the operational practices to orchestrate an ecosystem of external and internal individual workers?**

    ▪   <u>How to effectively coordinate the work of hybrid tea</u>ms?

This question has been posed with the aim of understanding several main points in the approach companies adopt to manage the coordination of hybrid teams:

- How firms parcelize processes and projects splitting them into sub-tasks and roles to be subsequently assigned to internal and/or external resources;
- Which is the organizational role and the specific figure in the company in charge of splitting activities into tasks to be then assigned to specific resources;
- Who is in charge of assigning the identified tasks and roles, deciding whether to appoint internal or external resources as accountable for each of them;
- Whether the mechanism adopted and the decisional process and criteria are different for internal and external resources;
- Which are the control mechanisms put in place by companies to monitor the results and output delivered by external workforce; if these mechanisms are different for internal and external resources;
- How are feedback to external resources managed;
- Which are the main frequent issues arising from the management of hybrid teams.

As for the **criteria followed for the parcelization**, the most common answers were **competencies**, as well as **timing and budget** issues, meaning that any activity would be assigned to the resource, either internal or external, whose competencies best fitted for the task under consideration, as long as his or her other tasks left enough time available and as long as the total budget consented it (especially in the case of decision to appoint external resources accountable for the activity). These decisional criteria would additionally respect as constraints the **balancing of the total workload** among resources and the projects' deadlines. The Web Service Firm reported to rely on a **dedicated informatic tool** allowing to draw workflows taking into consideration both internal and external resources' competencies and workloads. The above-mentioned result is in line with what emerged by the literature review phase, and in particular with discussed by (Fuller et al., 2020) which considers a process breakdown based on the competencies of the worker the best solution, facilitating the management of hybrid teams, enabling clear and well-bordered description of tasks and responsibilities.

With reference to the **organizational role appointed to execute the parcelization**, different business roles as emerged to be in charge of this activity: among them the **area manager**,

which in most cases has the highest and specific competencies of the area or division where the freelancer is inserted, or also the **project manager**, owning a more transversal knowledge of the topics of interests for the project. In other cases, also the **CEO** or **General Manager**, possibly **supported by a decisional roundtable** as in the case of Manufacturing Firm, composed of the main first-level managers of the company. Also the project manager can be backed up by the other roles, like the **salesforce** (Engineering Firm). The **business role in charge of assigning** the divided and identified tasks to actors of the hybrid workforce is the **same in charge of the parcelization** in all the case studies analysed.

As regards possible different **criteria** followed for the **parcelization and allocation** of tasks to internal resources, with respect to those adopted when dealing with external ones, half of the sample has answered that different approaches are followed, while the other answered the contrary. What emerged in the first half is that allocation of tasks in order **to cope with time constraints** are more frequent with internal employees (i.e. not always the task is assigned basing on the skills of the resource). In conclusion, also given the limited size of the sample, it cannot be automatically inferred that using freelancers makes teams more flexible and brings decision-makers in the companies' projects to adopt more flexible allocation methods, but even if the causal correlation cannot be demonstrated, a coexistence of the two is verified. It is left to possible future studies to demonstrate the correlation.
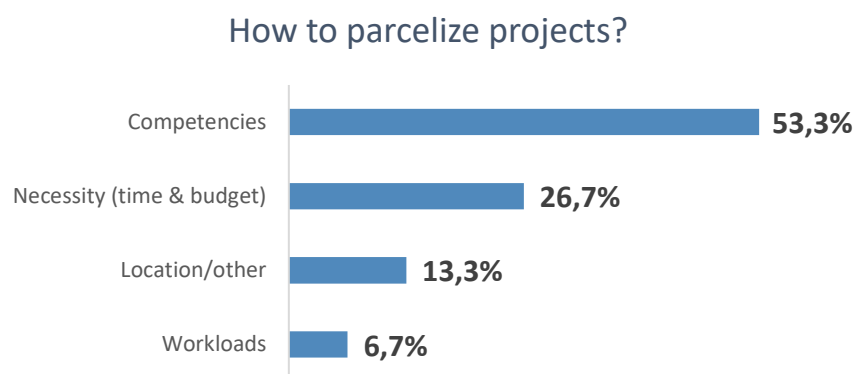
How to parcelize projects?

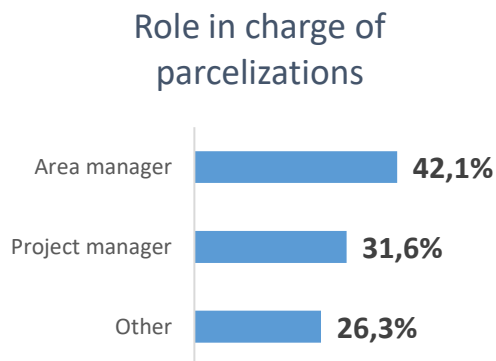| Category	Percentage
Competencies	53,3%
Necessity (time & budget)	26,7%
Location/other	13,3%
Workloads	6,7%

Figure 37: How to parcelize projects

Role in charge of parcelizations

Area manager	**42,1%**
Project manager	**31,6%**
Other	**26,3%**

Figure 38: Role in charge of parcelization

Role in charge of assigment

Area manager	**42,9%**
Project manager	**35,7%**
Other	**21,4%**
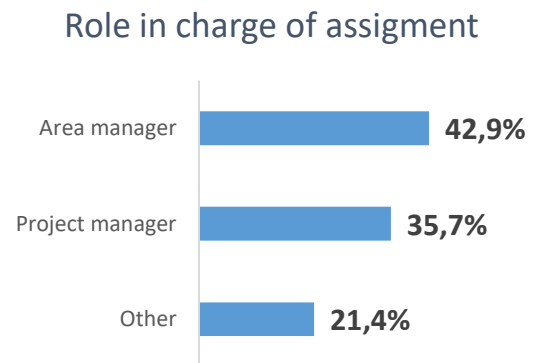
Figure 39: Role in charge of assignment

Different internal-external workers?

■ Yes ■ Quite different ■ No
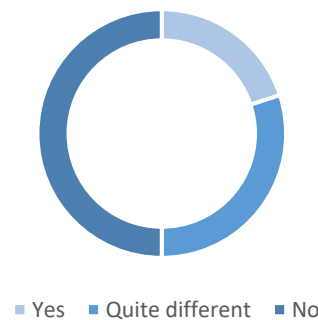
Figure 40: Difference internal-external workers

With reference to the **control mechanisms** put in place to monitor the output delivered by freelancers and external resources, the main measures implemented by the sample of analysis range from traditional project management techniques such as the introduction of **milestones, periods of review and the use of Gantt charts**, to the analysis of **KPIs**. While the first strategy reflects the soul of innovative agile project management techniques, the latter is more orientated in analyse the final result delivered by the freelancers. However, as stated by several managers, the control tool adopted depends on the nature of the job performed. For instance, when dealing with project tasks to be performed autonomously, milestones and "progress of work" (in Italian: *SAL*) meetings may represent the most effective control mechanism, where the semi-finished work is checked or validated by a manager. For the

most operative job, where freelancers collaborate hand in hand with internal employees for example in a project team, KPIs and other kind of reports are considered the most suitable solutions. This because these kinds of tools are used to aligned internal and external resources. The reported forms of control have been confirmed also by the set of freelancers interviewed.

"There are mechanisms linked to the financial aspect, because there are intermediate deadlines that define the tasks that you have to deliver and those intermediate deadlines also define the payment 'in stages', so if for example it's a three-month contract I have three intermediate deadlines in which I have to present the output and those define part of the payment". [Doc. G.]

"It's a fairly informal control on the work done, in the sense that if I don't present what I have to present in the pre-established time there will be someone who will point it out to me or won't pay me, with the risk that clients will be unhappy and also with the risk that we'll lose them, so in part it's as if I were an insider in the company, because the dynamics are similar, but at the moment apart from the partners there are no permanent internal employees, only external temporary freelancers." [Miss. D. G.]

Finally, for what concerns the difference in terms of internal and external employees, also in this case can be identified two categories of answers: on one side companies which have stated that different control mechanism are applied and on the other companies which don't create too much disparity between internal and external resources. Belonging to the first group are those companies which give a higher autonomy to freelancers or, on the other side, those which perform a higher control over freelancers: this last point is quite in contrast with the summary provided by Urzì Brancati et al., 2020 about the differences between internal employees and freelancers. According to the authors, Self-employed has discretion over how the work is done, as long as standards are met. However, the interviews carried out have revealed that **a stronger level of control** is applied also when dealing with freelancers. In some cases, it appears to be even stronger, like attested by [Junior Project Engineer, Engineering Firm]:

"Maybe to us (internal employees) is asked, although it also depends on the time, to take a look at the documents produced by outsiders before delivering them to the client."

Instead, in the other set we can find companies where there is a greater focus on the harmony of the work performed by them and the work performed by the firm's employees. However, what is clear is that, when dealing with freelancers, given the nature of this employment agreement, there is a stronger attention on the results and on the work performed, while with internal employees there are a plethora of other variables that must be taken into account like the life of the worker inside the company and its relationship with the others.

Finally, as last consideration, the results gathered confirm what emerged by the literature analysis: both formal and informal control is applied when dealing with freelancers and e-lancers (Eisenhardt, 1985).
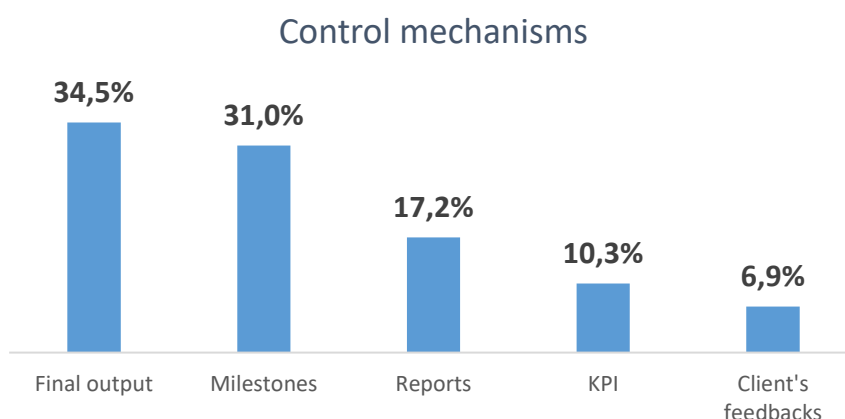
Control mechanisms

Figure 41: Control mechanisms

Different internal-external workers?

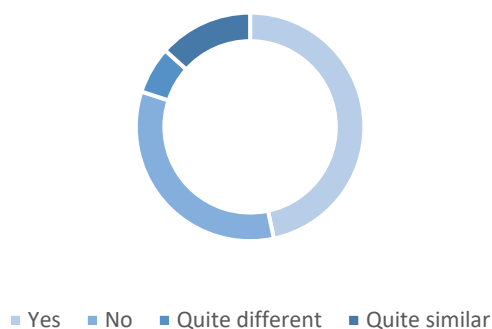■ Yes ■ No ■ Quite different ■ Quite similar

Figure 42: Difference internal-external workers

153

Regarding the **feedbacks management**, as emerged from the interviews, two are the main forms of feedback chosen by the sample: on one side, **informal communication**, and on the other the usage of **reports and more formal and structured tools**. Independently from the form chosen, there is no clear distinction if their adoption differs from internal and external talents: if on one side companies like technology firm or real estate firms have declared that when dealing with internal employees it is important to take into consideration also variables such as growth paths and the training, on the other the remaining companies have declared that there is not distinction. However, it cannot be automatically inferred any generalization of the case since the approach in giving feedback may be related to other attributes of the company itself such as the culture and the leadership style.
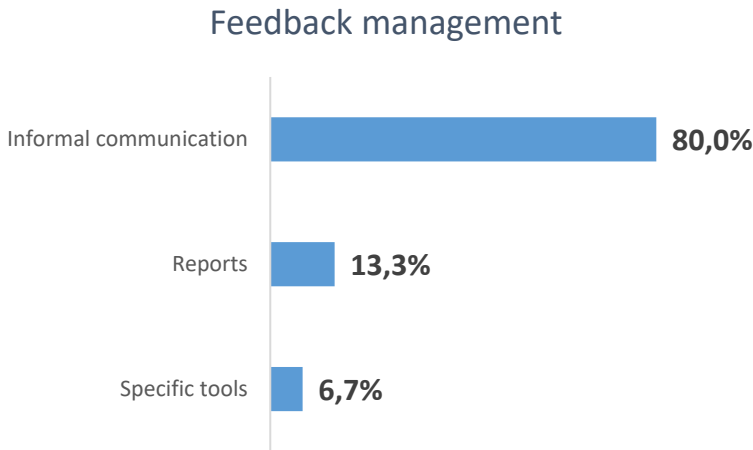
Feedback management

Figure 43: Feedback management
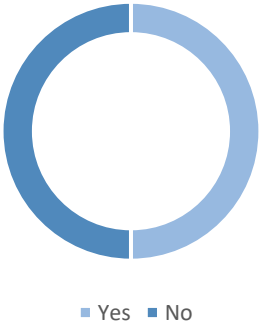
Different internal-external workers?

Figure 44: Difference internal-external workers

As for the main **problems that may arise from the management of hybrid teams**, the main sources of criticalities are represented by the interface between internal and external workers. Among the most frequent emerged, the **coordination and alignment** between the resources is the most shared criticality. What makes this point more challenging is the higher complexity in managing freelancers due to their higher autonomy. For instance, it is more difficult to guarantee the presence of the freelancer, since these resources often work for more contractors at the same time.

"As far as critical issues are concerned, as such they are less under control, i.e. they are not employees but collaborators, so these freelancers don't have five days available but may have two or three, and so we have to coordinate with their time requirements. they are autonomous figures and so management of them must be calibrated differently." [HR Manager, IT Services Firm]

This may increase the complexity when internal and external workers must work together, since the absence of the freelancer may cause stalemates periods. This concept is close to what already discussed in the paragraph dedicated to critical issues for companies: freelancers can offer a **lower reliability** with respect to companies or more structured realities, and this can means also in terms of availability (Alpar et al., 2020). This is enforced by the fact that usually these companies must manage dispersed teams, as stated by Fuller et al., 2020.

Communication represents a contributor of these issues as well: freelancers are external people with different backgrounds, mindsets and experiences, not strictly affected by the dynamics of the company, and this can represent a source of misalignment between internal and external:

"It's complicated to explain 73 years of dynamics all the time: maybe there's the experience that makes us make certain statements, but for someone who's just started it's difficult to understand." [CEO, Manufacturing Firm]

Then, due to their higher freedom, it is also more **difficult to monitor** their work and output, and this may create problems in case of hand-over from a freelancer to an employee. This is something for example experienced by Real Estate Firm:

"A possible criticality […] could be between the developers, i.e. the salespeople who sell the contracts, and those who then take over the relationship with the new franchisee for the continuation of the relationship. In this case, a critical issue could be the fact that you have sold the contract to this guy, who is incapable, and now I have to manage it. This risk exists. Or the franchisee who has been promised things in the sales phase that do not correspond exactly to reality." [CEO, Real Estate Firm]

In order to cope with all these potential sources of problems it is extremely important to design a balanced project team. As stated by Web Services Firm:

"When you create hybrid teams you have to be careful about the weight, because if you put 25 freelancers and 1 internal, it is clear that the project manager has to be very good because you have more difficulty managing the freelancers. If you have 24 internal and 1 external, it is a trifle, which you can manage easily." [CEO, Web Services Firm]

In this case, what emerged from the interviews is in line with academical papers which have identified in control mechanism to be applied a critical issue for companies.
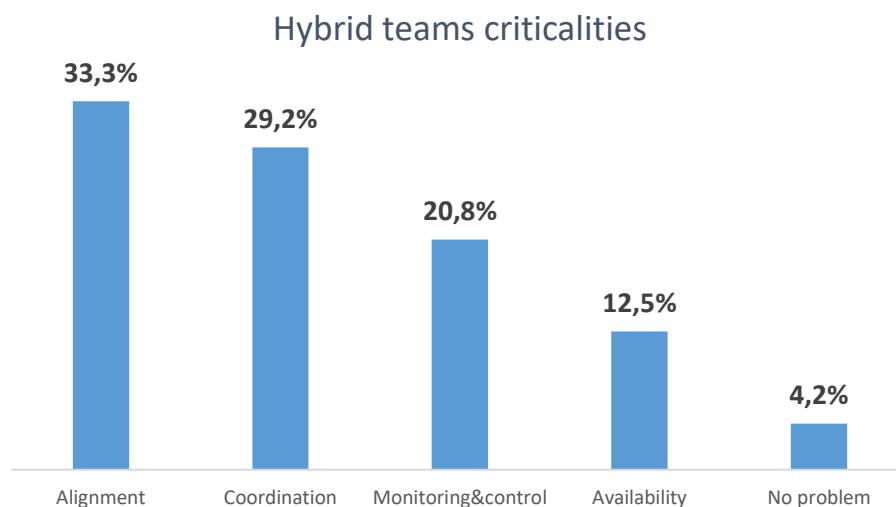
Hybrid teams criticalities

Figure 45: Hybrid teams criticalities

- <u>How to effectively coordinate the work of hybrid teams?</u>

The following propositions summarise what emerged from the case studies.

P.VII. A coexistence between using freelancers in teams and adopting flexible allocation methods is verified.

P.VIII. When there is a stronger interaction between freelancers and employees homogeneous control mechanism can favour the alignment and harmony of the work.

P.IX. The effectiveness of feedback management styles depends on different company's traits such as the culture and the leadership style adopted.

P.X. Alignment, coordination and control require extra effort from the project manager when dealing with hybrid teams including both internal and external workers.

- <u>Which type of leadership is best suitable for a diverse workforce of external and internal agents?</u>

This area of analysis has been investigated answering to 4 different sub-questions:

- How to best promote and motivate external workers?
- How to create engagement?
- Concern for people vs concern for production

With reference to external workers, it is to be explored and clarified which type of **motivational methodologies** can be applied to boost productivity and to foster the achievement of the commonly prefixed results, and whether it is dissimilar to those generally adopted with the internal ordinary workforce.

The operational practices mostly observed are of **economic and commercial** nature. This means not only to offer freelancers a good compensation, attractive for the market, but also to promise security and timeliness of payments. In general, also acknowledging the mastery of freelancers and the achievement of good quality results with a corresponding consistent variable compensation is seen as a best practice. This is valid and confirmed also by

freelancers themselves: the ones interviewed have reported to feel appropriately gratified and awarded by this attitude. For instance:

"I think that I would feel more motivated when faced with a bonus or financial incentive"

[Miss. D. G.]

Or

"Actually at sustainability firm there are practices, there are discounts for staff [...]" [Doc. G.]

Another possible tactic which can be ascribed to the commercial category is offering an **attractive contractual form** for formal and bureaucratic matters, as well as leaving the door open to **future collaborations** trying to establish the roots for a stable and mutually profitable collaboration.

"Promising them extra jobs, then making them understand that it is not a one-off." [CEO, Web Services Firm]

A different category of motivational practices includes acknowledging results from a personal and communication point of view. To better clarify the point, companies and internal coordinators express gratification and offer a source of motivation to freelancers by **displaying how necessary their work and skills are**, and by manifesting with transparency the transition sings and the **improvements from the as-is situation to the to-be** state thanks to the change produced and the help brought. Freelancers interviewed confirmed that this is a source of incentive and a reason of pride, in a sense. This is a common practice adopted by Manufacturing Firm:

"Make them part of the initial picture with the introduction of the freelancer and periodically show the progress, so also the improvements that have been made or even the critical points, because it may be that not all things are going towards the set objective, so also maybe change the strategy with the train running." [Commercial Director, Manufacturing Firm]

Looking at the results of this sub-question, the main form of incentive is represented by economic rewards: however, as highlighted by Sumukadas & Sawhney and discussed in the dedicated paragraph, what really contribute to workforce agility is the adoption of non-traditional-based rewards such as skill-based pay systems, improvement-based incentives or non-monetary rewards. Thus, what can be inferred, is that, talking about the sample of analysis, companies, but also freelancers, are still attached to traditional-based rewards.

For what concern the practices that companies adopt for creating **engagement**, they are quite similar to the ones above mentioned: for instance, among the answers, the **economic incentive and appealing work content** appears. Another practice, more frequent, consists instead in **involving** the freelancer **in the life of the company**: this includes both the participation in the decision making of the specific project (thus the freelancer is not called only to perform a task but can contribute also to the preliminary phases of the project, bringing suggestions and ideas) but also the participation in events and other team building experiences that are organized by the company. For instance:

"[…] then we also do events, for example we get together for a weekend in Biella to get to know each other better, and here all collaborators can participate, whether they are internal or external employees." [Commercial Director, Engineering Firm]

In this case, this is in line with what stated by Sumukadas & Sawhney, which identify in external workers' involvement as a key strategy promoting workforce agility.

For sure, creating engagement for external resources is a quite arduous objective ("hardly achieved" appeared also as an answer), especially since freelancers usually work at the same time with several clients: however, from what emerged from the experiences of the sample, the approach usually followed and that can guarantee some positive results is treating freelancers in the same way of internal employees.
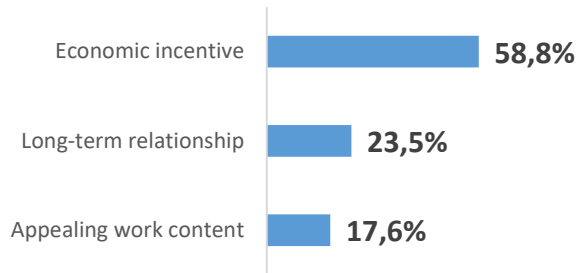
Motivation practices

- Economic incentive — **58,8%**
- Long-term relationship — **23,5%**
- Appealing work content — **17,6%**

Figure 47: Motivation practices

Engagement practices

- Involvement in… — **43,8%**
- Ideas implementation — **18,8%**
- Economic incentive — **18,8%**
- Appealing work content — **12,5%**
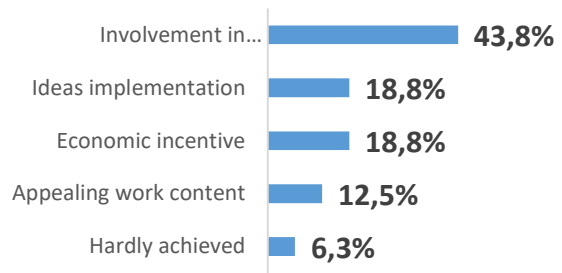- Hardly achieved — **6,3%**

Figure 46: Engagement practices

Concerning the **leadership style**, the majority of the sample has shown the attempt of pursuing **both the achievement of good project objectives but also the creation of a positive relationship** with freelancers, and this does not differ from the leadership style with internal employees. In the majority of the cases these two dimensions have been considered as two sides of the same coin: it is not possible to achieve results with the dissatisfaction of the employees, both internal and external. However, also other answers have emerged: in particular, there are some firms which, in some situations, have attributed a greater importance to the final result (this in case the freelancer is employed for a limited time for delivering an ad hoc solution to cope with budget or time constraints) or a greater importance to the relational dimension (this in case the final result cannot be easily quantified, or if it can only be verified over years, like for instance in the implementation of a new organisational system).

Concern for people vs concern for production
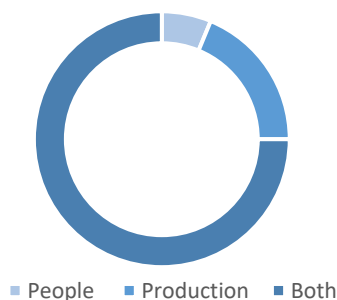

- People
- Production
- Both

Figure 48: Concern for people vs concern for production

A general answer which can be given to this sub-question is: **the same leadership style should be adopted to deal with every actor** falling in a specific point **of the workforce continuum**. This is meant to create a good harmony and a professional climate favourable to collaboration and stimulating results. Indeed, a harmonious, friendly and collaborating working environment is considered a necessary premise, or at least a necessary companion, to the achievement of results, both for internal employees and for freelancers. Also, this is a good way not to stress the points of difference between internal and external resources, whether they are substantial in role and activity or just formal and contractual, balancing in a way the workforce and contributing to the construction of a sense of belonging and engagement with the company also for non-employees. The same opinion is shared between the majority of the interviewed freelancers:

"Absolutely participative, not top-down, I act as a coach, coaching style, I train you to be able to do things." [Eng. G.]

Generally, in this case the experiences gathered are quite **in contrast with what emerged from the literature**: from what emerged from the sample, when dealing with external resources, the psycho-physical conditions of freelancers is considered as important on pare of the final output to be achieved. This is especially true in case freelancers are adopted with a more long-term perspective, when there is the companies' attempt to develop a more strong and lasting relationship.

<u>Which type of leadership is best suitable for a diverse workforce of external and internal agents?</u>

P.XI. Economic incentives can prove effective as motivators for the short term, developing long-term relationships is more valued for providing a sense of security and stability on the long run.

P.XII. Engagement of freelancers with the company's values is difficultly achieved; it is stimulated by involvement in the company life and homogeneous treatment as internal employees.

P.XIII. A homogeneous leadership style applied to a diversified workforce favours integration and collaboration.

How to manage interrelations and conflicts in a fluid network?

- Which ICT tools are the most used for the communication between internal and external workers?
- How to define hierarchies (if there are any) or authoritative mechanisms of internal over external or external over internal?
- Which are the main sources of conflicts between internal and external resources?
- Which is the most suitable approach to manage conflicts involving internal and external resources?

As for the most used ICT tools among companies and freelancers, the results of our case studies' analysis are reported in the following chart (*Figure 49*):
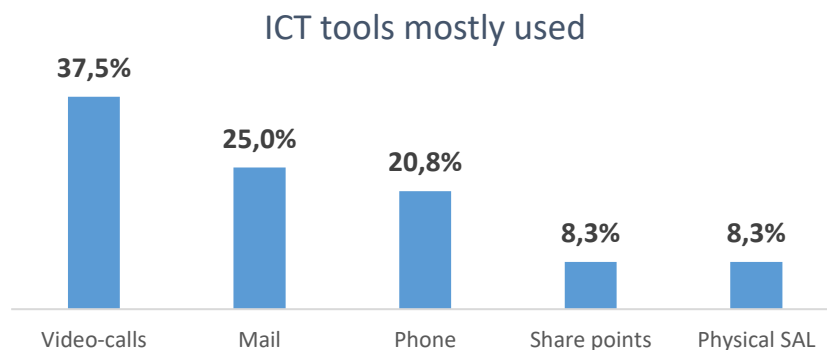
ICT tools mostly used

Figure 49: ICT tools mostly used

With regard to the topic of **hierarchies**, the situation is strongly dependent on the role the freelancer is called to cover. In the case the external talent is added to a project team with the aim to provide support or to address specific tasks, usually it responds to a project

manager or another role in charge of the coordination of the team itself. In this case the answers provided by the sample leads to two main categories of authoritative mechanism: on one side the importance of **formal internal roles and contractual obligations**, while on the other the deployment of more **informal forms of leadership** which recognise communication and mutual confrontation as the most powerful practices.

However, among the two forms, the informal relationship seems to be the most frequent answer. One of the reasons is well explained by CFO & HR Manager, Real Estate Firm:

"The authority with external resources is a rather delicate matter because outsiders, being consultants and VAT-registered, should not be subject to coordination and control other than by the State, because otherwise we would fall into the type of simulated subordinate employment relationship. So, I would say that it is a very tough issue to provide rules and directives. And a certain amount of attention is required. Therefore, we deal with them mainly with suggestions and advice, best practices rather than with orders."

Then, in other cases it may happen also that the freelancer itself is in charge of coordinating the other resources of the team as reported by HR Manager, Manufacturing Firm:

"[…] if we give examples of our IT department, clearly the outsider commands us insiders because he has the skills, so […] in the end whoever has the skills 'wins'."
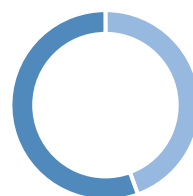

Role with authority
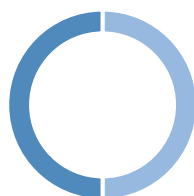
- Always internal over external
- Who has the competencies

Figure 50: Role with authority

Formal vs informal

- By contract
- Informal

Figure 51: Formal vs informal

As emerged from the case studies, the main conflicts which can arise when dealing with hybrid teams are of different nature:

1. **Economic conflicts**: disagreements may occur in situations where changes of scope, requirements, and subsequently of effort required, become necessary during the course of the project collaboration. In this case, different expectations on the possible revisioning of the economic side of the contract can arise in the two parties involved [Delivery Manager, IT Services Firm].

    "[…] even if you can establish from the beginning what is the commitment something can always happen: for example, for a project we decide that I give you € 5,000 because you had thought or together we thought that this thing would take you 10 days and a number of hours. Instead, something happened and you put in twice as many hours. I say I'll give you 5,000 anyway and you say no, but it's your fault I didn't do this, etc. etc. and these are the typical reasons for discussion. "

2. **Requirements misunderstanding**: conflicts may arise also in situations where freelancers do not immediately understand what is the output expected by the outsourcer firm and start working on an activity or with a methodology which is not the expected from the firm. This confirms what already stated by Schwartz, 2018 or Sutherland et al., 2020 and discussed in the [paragraph E-lancers criticalities](#). This situation is often prolonged over time more than if the same case verifies with an internal employee, because usually there is more freedom and less timely control over the work of freelancers, and thus can bring to disagreements. Freelancers may feel the specifications of the output required have not been clarified enough by the outsourcer, while outsourcing firms may think freelancers have misunderstood their requests. For this reason, the dispute can shift on whether the time and effort spent on the wrongly interpreted output required are to be paid or not.

    "The freelancer did not understand what the task was: he started off having a direction in mind, then freelancers don't ask and you can't control them because you don't have them in the office. Then, when you do the check, you tell him that he

hasn't understood anything and has to start from scratch, and then conflicts are generated." [CEO, Web Services Firm]

"*Misunderstandings can arise regarding the client's requests, and I think this is accentuated by the fact of being a freelancer because you have more autonomy and you are less followed, so maybe you spend weeks on a project but at the time of delivery you are told that the requests were different from the manager or the client and so you have to start all over again.*" [Miss. D. G.]

"*Generally conflicts can be caused by lack of clarity, i.e. not making it clear ex-ante what kind of output is expected or doing it in a too general way so maybe someone works on an output only to find out that it was not what was actually expected.*"
[Doc. G.]

3. **Authority matters**: establishing hierarchies of internal resources over external ones or especially the opposite way is very complicated and has been a source of many conflicts in different companies analysed. When asked which situations mostly generated conflicts in a hybrid team, the interviewed answered the following:

"*Establishing hierarchies of internal over external actors and vice versa.*" [CEO, Manufacturing Firm]

"*Those requiring the establishment of authority of externals over internals.*" [Eng. G.]

4. **Resistance to change**: this applies particularly to the cases where freelancers assumed a role of managers or strategic consultants. The difficulty – for both front-line employees and middle-level management – to accept and acknowledge the authoritativeness and the validity of ideas of people external to the ordinary life of the company has generated conflicts in both Manufacturing Firm and many other outsourcer companies with which the freelancers interviewed have found themselves collaborating.

"If the internal manager who also coordinates a group does not recognise the freelancer's authority, there is a risk that the freelancer will be rejected within the group. Unfortunately, within Manufacturing Firm we have people who have always worked only here or have worked for many years in Manufacturing Firm, so they don't have the opportunity to carry out their activities with others outside the company, and consequently, having always carried out their work in a certain way, it's difficult to accept the change." [Commercial Director, Manufacturing Firm]

5. **Communication issues**: these include inadequate flows of information which should be shared and transparent but are not always so. This can generate obstacles in the work of freelancers or also in the work of internal workers who work side by side in teams with external ones. Some examples are reported hereafter.

*"Since there is this hybrid situation (*freelancer who arrives up to the signing of the contract and then the internal business developer who follows the life of the contract – ed.*) it is often not clear whether the requests coming from the affiliate are to the business developer or to the freelancer, and therefore the lack of communication between these two is the main problem because there is no total sharing of information."* [CFO & HR Manager, Real Estate Firm]

"If you are an internal you tend to have the institutional email and then you have easier access to all internal tools, not only the drive, Teams, Skype for business, all these tools are more easily accessible for the internal, while for the external not. So, there is an extra step in which there must be a request for documents and all those materials that are not so easily accessible and therefore there is also a bit of loss of flexibility, lightness, loss of time in fact to access the materials." [Doc. G.]

6. **Differences in contractual obligations**: this aspect is referred specifically to working hours and place and flexibility, which are by nature completely different for

freelancers and for traditional employees. This can be sometimes seen as a kind of injustice by employees, especially if they perform similar activities to those performed by freelancers and if they work side by side in project teams.

"Inevitably, since we all do the same work you expect the freelancer to behave like an employee, so that he has the same methods, the same hours, the same availability, attitude and so on. But the consultant maybe is here to do that specific work and that's it, so sometimes there can be some problems in the interaction both with the colleagues with whom you are doing the project or the activity and with the person in charge, because in the end you expect him to be an employee but he is not. Sometimes this thing is a bit accentuated by one or the other side, so the company expects a bit too much from the freelancer, on the other hand the freelancer puts a bit too much emphasis on the fact of being an independent consultant." [Delivery Manager, IT Services Firm]

The type of conflict, alongside with the terms of collaborations, determines which is the most suitable **strategy to handle it**. Analysing the answers collected in the interviews phase, four principal strategies emerged from the coding.

1. **Dialogue, communication and compromising**: this is the most broadly shared strategy. Indeed, actors from the Web Services Firm, the Manufacturing Firm, the Real Estate Firm and also several freelancers interviewed have reported to use or have used this strategy as the one allowing to achieve the best results. An example is reported hereafter:

   "*Dialogue almost always solves things, it's fundamental.*" [Doc. C.]

2. **Anticipating**: trying to address the first main causes of conflicts in order to avoid future problems and their arousal. This can mean for example ensuring that the freelancer has a valid counterpart inside the internal staff who ensure his/her work, authority and ideas are accepted [Marketing and Sales Director, Manufacturing Firm], or clearly specify the expected output [Doc. G.]

167

3. **Avoiding** or working around it: this is a peculiar position, but it has been sustained by more than one interviewed, so that a code was generated. The idea is that, if resistance to the work of freelancer is too harsh, the best option could be for the freelancer to renounce its duty (this is the view of HR Manager, Manufacturing Firm) or to force internal actors to accept it, for example by reminding that while the freelancer has more than one source of income and can renounce to the project without losing a fundamental opportunity, the project can be strategic and thus crucial for the competitive survival of the company, indispensable (view of Eng. G.). This last option is valid especially for strategic consulting and long-term projects.
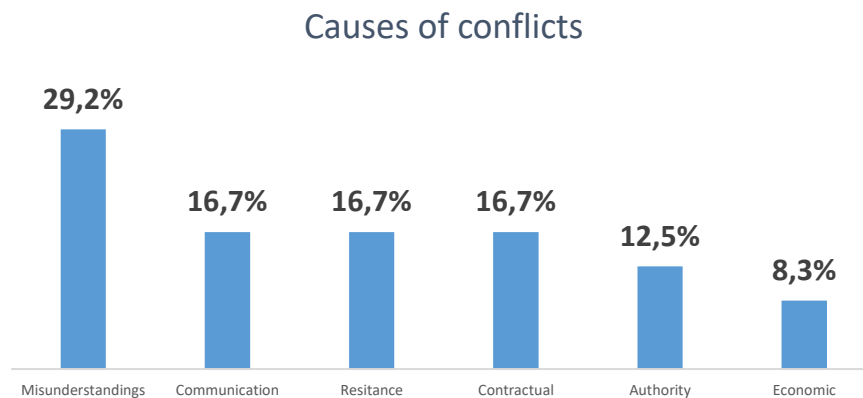
Causes of conflicts

Figure 52: Causes of conflicts

Conflict management strategies

Figure 53: Conflicts management strategies

168

<u>How to manage interrelations and conflicts in a fluid network?</u>

P.XIV. Informal authority mechanisms exerted over freelancers enhance the feeling of autonomy; freelancers applying informal authority styles are more likely to overcome internal resistance.

P.XV. There are two main roots for conflict arousal between freelancers and internal workers: a perceived extraneity of the former, leading to internal resistance, contractual issues or authority-related clashes; the independent nature itself of being freelancers, possibly leading to misunderstandings and lack of proper communication.

P.XVI. The most effective conflict management strategies in hybrid teams are anticipating and compromising. The avoiding strategy is mainly suitable when freelancers are involved to face deadline constraints and to speed up projects short term oriented.

6.3. Third research question

RQ3: **Is the choice of the way to access (intermediary) freelancers a variable that has an impact on agility performance?**

It must be specified, and the reasoning is valid for all of the three sub-questions to the third research question, that only two companies of those interviewed have reported to make use of e-lancers on online, on-demand working platforms, so that the statements are not to be considered statistically relevant, and further studies should deepen the aspect. Nonetheless, the fact itself that a minor part of the selected pool of analysis uses e-lancers gives an insight. Indeed, it can be inferred that in small-medium Italian enterprises e-lancing platforms are still unknown or in their early stage of maturity and diffusion.

- <u>Does the access to freelancer through digital labour platforms impact on the time required to find/hire them</u>?

The CEO of Web Services Firm fiercely confirmed this: using digital labour platforms cuts the time required to find and select the proper resources to engage for a professional activity to be outsourced. This is enforced from the statements of Project Manager, Finance Firm.

- <u>Does the access to freelancer through digital labour platforms impact on the costs faced by the company to outsource</u>?

This aspect has been undoubtedly confirmed too:

"*Yes, because all these platforms are bid: this is to their disadvantage because a Swiss developer will never be competitive with a Russian developer and the Russian developer will never be competitive with the Indian. This is because they have lower rates. You set the budget at the beginning, then they make the bid which can be lower or higher.*" [CEO, Web Services Firm]

According to him, not only the choice of digital labour platforms has an impact on costs faced, but it is economically convenient in every case.

- <u>Does the access to freelancer through digital labour platforms impact on the effectiveness of the matching company-freelancer</u>?

The CEO of Web Services Firm, as regards effectiveness and efficacy of the matching process and results, again has proved confident.

"*These platforms are becoming more specialised. For example, some time ago I found one that was only for people who did logos and graphic arts. Because doing that work there is not the work of a designer but maybe you're good at making logos. Having said that, they help a lot because these platforms are global. Even Fiverr is giant. So it's not that you're only afferent to Italian developers: you have a very high number of them*."

On balance, it cannot be derived any general proposition on the third research question because the sample of companies which declared to rely on online labour platforms is too small to deduce general purpose declarations.

In conclusion, all the insights discussed so far in the paragraph 6.1 and paragraph 6.2 have been gathered in *Table 27* in order to highlight what is confirmed, what contradicts and what is added to the existent literature.

SUB-QUESTIONS	CONFIRMED	CONTRARY	ADDITIONAL	-
Do freelancers bring innovation and new knowledge in the company, being more updated on market trends and needs?	Access to knowledge and competencies not available within the boundaries of the organization is one of the key drivers of adoption of freelancers		Adopting freelancers is not toward a one-time approach but is oriented to generate a long-term advantage.	
Being freelancers allocated to different tasks and projects on the basis of their skills, do they make project teams more flexible favoring the creation of a fluid network?	The allocation of the employees to project teams basing on their skills and competencies and not (merely) on the basis of other criteria such as workload or time constraints may be seen as a way to increase resources flexibility			
Do freelancers favor the exploitation of digital platforms and integration of traditional and smart working forms?				The adoption of hybrid workforces does not impact on the adoption of smart working forms.
Do freelancers favor rapid exploration by being allocated to innovation (exploration) while internal people stay allocated to the normal business (exploitation) – or maybe vice versa?			In particular, when deciding whether to boost exploration by assigning innovative projects to freelancers or vice versa, key drivers are: IP and know-how protection; Exploitation of the up-to-date skills and experiences of the external market brought by freelancers	
Does the collaboration with freelancers push towards the adoption				The adoption of hybrid workforces does not impact on

of a pay-per-output model?				the choice of retributive models.
How they parcelize processes and projects splitting them into sub-tasks and roles to be subsequently assigned to internal and/or external resources;	Breakdown based on the competencies of the worker is the best solution, facilitating the management of hybrid teams (it easier to identify roles and responsibilities) Following time and budget constraints allows to save money or speed up project			
Which are the control mechanisms put in place by companies to monitor the results and output delivered by external workforce?	Both formal (milestones, KPI, reports) and informal control (final output, feedbacks) is applied when dealing with freelancers and e-lancers	A stronger level of control is applied also when dealing with freelancers. (i.e. freelancers not always have higher freedom)		
How are feedback to external resources managed?			The effectiveness of feedback management styles depends on different company's traits such as the culture and the leadership style adopted.	
Which are the main frequent issues arising from the management of hybrid teams?	Coordination and aliment; control		Communication due to different background	
How to best promote and motivate external workers?	Economic rewards based incentives are the most popular (companies, but also freelancers, are still attached to traditional-based rewards) however firms trying to apply an open continuum approach tends to adopt non traditional forms			
How to create engagement?	External workers' involvement is the main strategy adopted for engagement creation		Companies must consider the fact that not always freelancers are willing to establish bonds with the company	
Concern for people vs concern for production		When dealing with external resources, the psycho-physical conditions of freelancers is considered as important on pare of		

		the final output to be achieved		
Which are the main sources of conflicts between internal and external resources?	Requirements misunderstanding; Resistance to change		Differences in contractual obligations; Authority matters	
Which is the most suitable approach to manage conflicts involving internal and external resources?			The most effective conflict management strategies in hybrid teams are anticipating and compromising. The avoiding strategy is mainly suitable when freelancers are involved to face deadline constraints and to speed up projects short term oriented.	

Table 27: Comparison with extant literature

6.4. Modelling the approaches identified

In conclusion, to better profile the main methodologies emerged from the analyses of the case studies, three approaches have been identified by clustering by similarities the responses collected with the interviews.

The decision taken to draw profiles has been to consider as principal distinctive variables the answers given to the questions and sub-questions of the first research questions, which regarded mainly the general drivers and decisions of companies when collaborating with freelancers, including an investigation on the impacts of such decisions on flexibility, innovation, upskilling as well. The following graph (*Figure 54*) illustrates the three models identified and their distinctive variables.
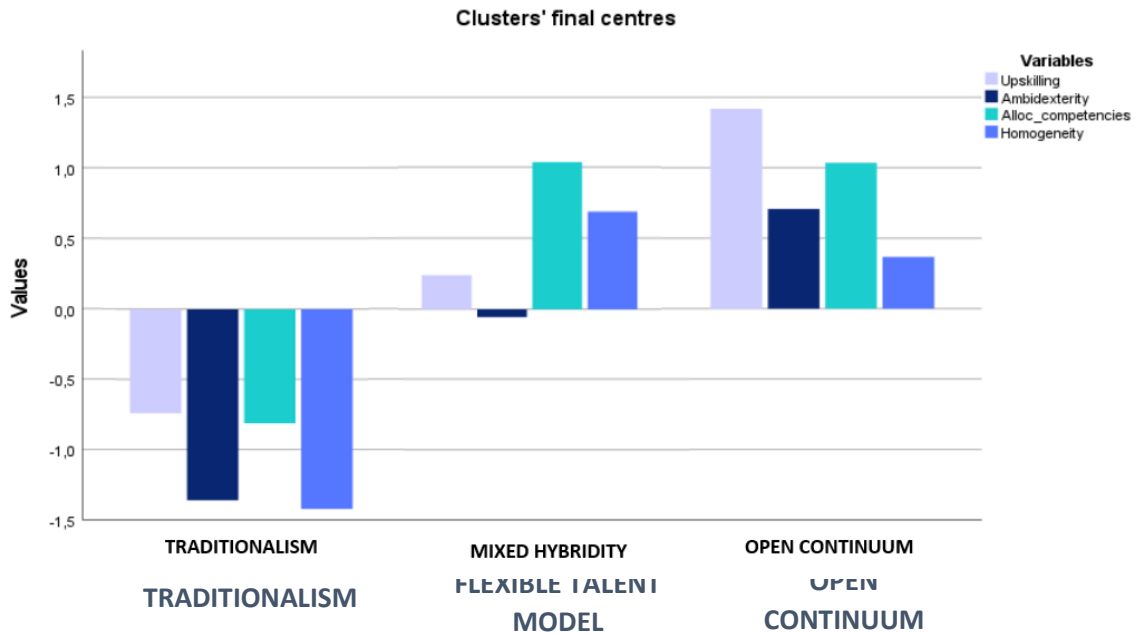
Figure 54: Clusters

The scale of the values on the y axis ranges from -1,5 to +1,5 because the variables have been standardised on a custom scale in order to get to consistent and uniformed results, given that each of them was expressed in a different scale. The original un-standardized scale was a Likert's scale derived from the second-level coding and its generated codes, as anticipated in the Chapters Methodology and Results.

Firms belonging to the cluster identified as **TRADITIONALISM** adopt the most traditional approach: there is high **heterogeneity** in the way to deal with freelancers and with internal employees, determining a neat distinction and little integration. This approach **prevents knowledge absorption** and gives little to **no priority to** the organisational **ambidexterity**. Normally, freelancers and employees are **not allocated flexibly** to project teams on the basis of their **competencies**, but following other more rigid criteria. Freelancers are mainly used for ad hoc projects and confined tasks.

174

FLEXIBLE TALENT MODEL firms locate themselves halfway between traditionalism and open continuum: they still consider differently workers on the basis of their contractual working arrangements, but they are open to make the **transfer of knowledge** happen. While there is no criterion in allocating internal or external workers to innovative projects, sometimes the fear for IP protection wins over the possibility to exploit the innovative knowledge taken from the market and brought by the freelancers. In general, though**, flexible allocation by capabilities** prevails.

OPEN CONTINUUM firms adopt the most peculiar approach, the one hinted by the literature as **open continuum**. Working arrangements are shaped as to form a fluid network, where formally internal employees mingle with collaborators, ranging from the closest ones to the more independent, but treated **homogenously** as employees. This approach favours the **absorption of know-how** in a sort of virtuous osmosis**.** Also, companies in this cluster tend to dedicate resources to **exploration** and to **exploitation** and to **flexibly allocate by competencies** their workers.

Differentiating Traits

- **Age, dimension & HR maturity**

Traditionalism reflects the approach of companies with longer histories and with bigger dimensions. This suggests they are generally established companies operating in the market since decades and characterised by a heavy structure. The main form of employment is the traditional one and freelancers are adopted just for ad-hoc projects or fully outsourced functional roles. There is a neat distinction in both functional areas, leadership style and mindset in the way freelancers and employees are treated, sometimes because the type of business or sector does not give much space for fluidity. Regarding the HR function, there is space for improvement in terms of maturity and independence.

Flexible Talent Model is the approach of the youngest companies characterised by middle-size dimensions. They are companies which have been founded recently but have gained their piece of market. The HR function is mature and well developed, and beside the

traditional employment relationships, alternative arrangements are in place with different sources of talents (even though they do not represent the primary choice). Also, they usually cover not core parts of the business, or complementary skillset, so that absorption of knowledge and flexibility gains are partly prevented.

Open continuum is the workforce model of those companies exploiting all the potentialities of a network of interconnected players, acting to pursue both individual and collective goals and interacting with each other to create shared value, no matter what their contractual relation is. Their HR function is mature and well developed, independent and with best practices of its own.
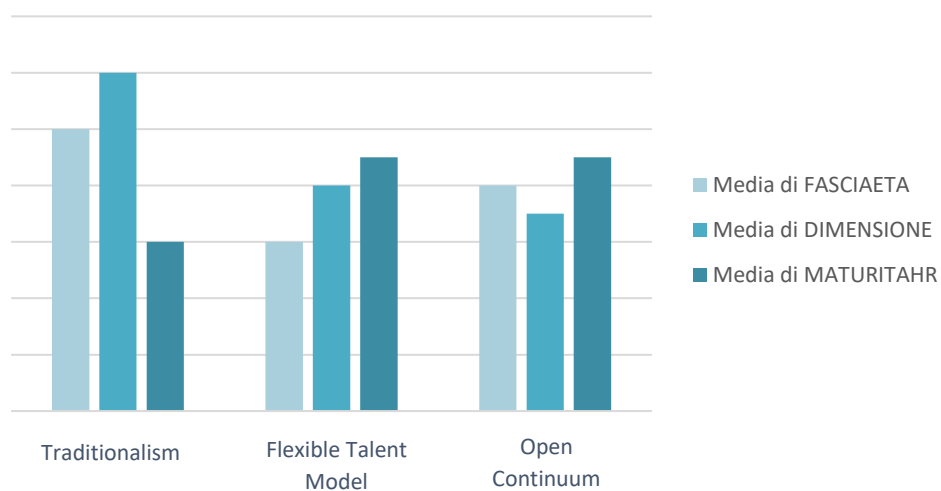

Figure 55: Age, dimension & HR maturity

- **Control mechanisms**

The control mechanisms do not vary much among the clusters.
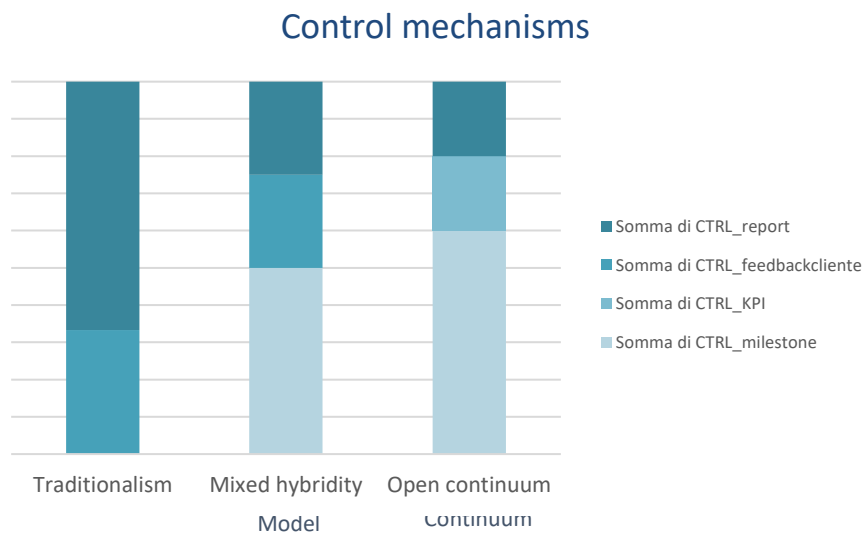
Control mechanisms

Figure 56: Control mechanisms

- **Output**: the most popular control mechanism. This is linked to the nature of being freelancers. The higher autonomy of external workers is granted by applying control on the final output and not on how the work is executed, during the process of working itself. It is used mainly when the freelancer is the only responsible for the output.

- **Milestones**: most used in the context of open continuum and Flexible Talent Model. This can be explained since freelancers in these clusters are more adopted for projects where the interaction with internal employees is fundamental. Thus, milestones are a suitable mechanism for monitoring both employees and freelancers and grant their alignment.

- **KPI**: they are used only by the most advanced companies classified in the open-continuum cluster, since their setting up, definition and monitoring requires a well-structured approach.

- **Feedback of customer**: a very unstructured approach used by some companies in the B2C market.

- **Reporting**: this form of monitoring is used indistinctly by companies in each cluster.

- **Problems verified with hybrid teams**

Companies belonging to the different clusters experience different kinds of problems.
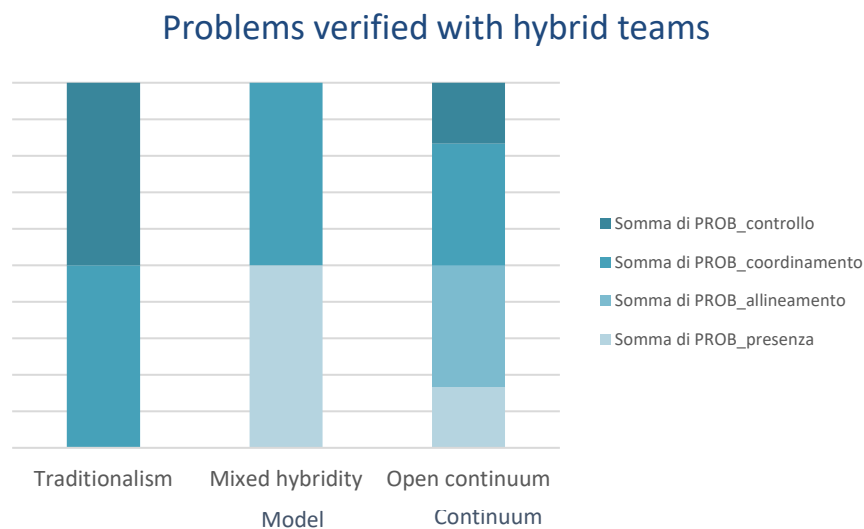

Figure 57: Problems verified with hybrid teams

Traditionalism: the main problems experienced are coordination and control. Presence is little perceived since freelancers in this case work mainly in autonomy and so their availability is not crucial for the advancement of the project.

Flexible Talent Model: the main problems perceived are coordination and presence. Presence is more relevant since the availability of freelancers is more crucial being the need of collaboration between internal and external more frequent, and being agile work not so diffused.

Open continuum: the main problems perceived are coordination, presence, control and alignment. Being the collaboration between internal and external the peculiar characteristics of the cluster, exploiting teamwork involving all types of collaborators, problems of

alignment and availability coordination are the most impactful. if compared with traditionalism, control problems are less relevant due to the control mechanism applied (i.e. milestones...)

The analysis has shown that coordination is not impacted by the cluster but is linked with the nature of being freelancer.

- **Sources of conflicts**

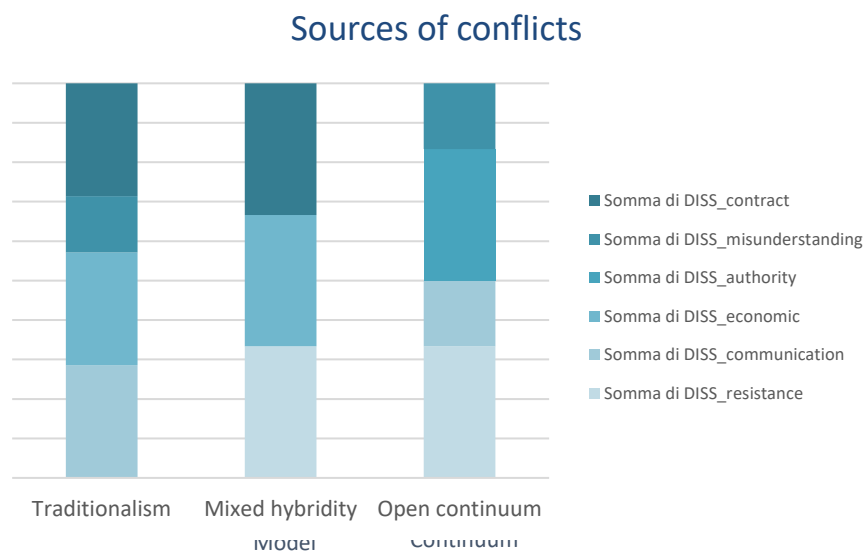Companies belonging to the different clusters experience different sources of conflicts.

Sources of conflicts

Legend:
- Somma di DISS_contract
- Somma di DISS_misunderstanding
- Somma di DISS_authority
- Somma di DISS_economic
- Somma di DISS_communication
- Somma di DISS_resistance

Figure 58: Sources of conflicts

Traditionalism: in the companies belonging to this cluster, the differences among internal employees and freelancers are the most glaring. In particular, source of conflicts can be represented by the higher autonomy, flexibility and economic advantages which are perceived by internal as a distinguishing factor. Misunderstanding and communication problems are experienced as well: being in this case the work of freelancers more autonomous, it is more frequent the case of scope, task and specification incomprehensions, which are discovered only when the final output is delivered.

Flexible Talent Model: contractual and economic still represent sources of conflicts between internal and external workers. Since the kind of projects developed by these companies require a stricter collaboration between internal and external (i.e. the output is dependant both on the work of employees and freelancers), and since freelancers can cover more strategic roles, resistances are possible, especially if the freelancer is involved in projects of change management aiming to introduce new methodologies and ways of working which are not common within the company.

Open continuum: in contrast with the other two clusters, authority may be a source of conflict. This happens because in this cluster freelancers are more used as temporary managers or other authoritative roles. This may exacerbate the internal resistances.

- **Problem solving strategies**

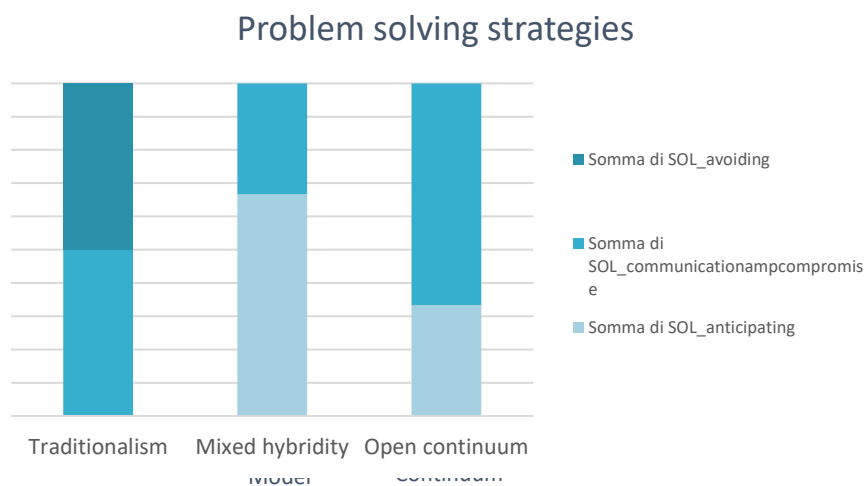Companies belonging to the different clusters apply different strategies for solving conflicts.

Figure 59: Problem-solving strategies

Traditionalism: the main solutions adopted are avoiding and compromise. Avoiding is a valuable solution given that the relationship with the freelancer is not a priority for these

companies and no efforts are spent to address the sources of conflicts. In other occasions also a compromise is looked for, always pursued though the dialogue to mediate between the different sides.

Flexible Talent Model and open continuum: avoiding is a no more used mechanism and is replaced by anticipating. This can be pursued in several ways, like for instance by creating a structured contract or foreseeing the needs of both internal employees and freelancers. This is possible only developing a stronger relationship also with the external workers and addressing in advance the possible sources of misunderstandings.

- **Practices used for motivation**

Companies belonging to the different clusters apply different mechanisms to motivate and incentivize the work of freelancers.
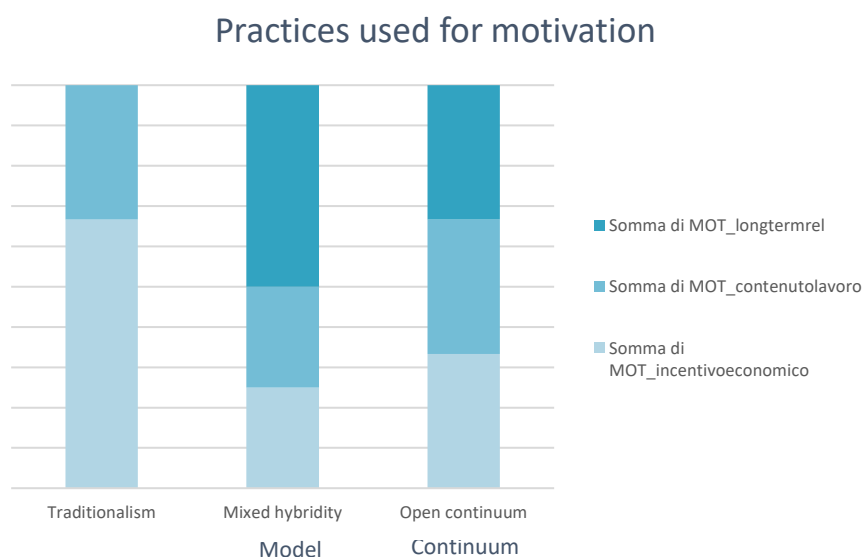

Figure 60: Practices used for motivation

Traditionalism: the main mechanisms detached are economic bonuses and appealing work content. Companies mainly use economic incentives to make freelancer work faster or more

eagerly, in other words to retain them. An interesting work content is effective as well, and it is mainly linked with the nature of being high professional freelancers.

Flexible Talent Model and open continuum: adopt different and variegated types of motivation approaches with external or hybrid workers**.** These companies in contrast with the traditionalist ones try to create a long-term relationship with freelancers, which are valuable to them since source of profit and higher stability.

- **Leadership style**

Traditionalism: these companies show a tendency to value more the result and the final output delivered by the external worker.

Flexible Talent Model: both production and people are important.

Open continuum: the scenarios are more variegated, and this is linked to the higher number of companies in the sample belonging to this cluster, but there are some companies here which show concern primarily for people and harmonious working environment, disregarding the mere output.
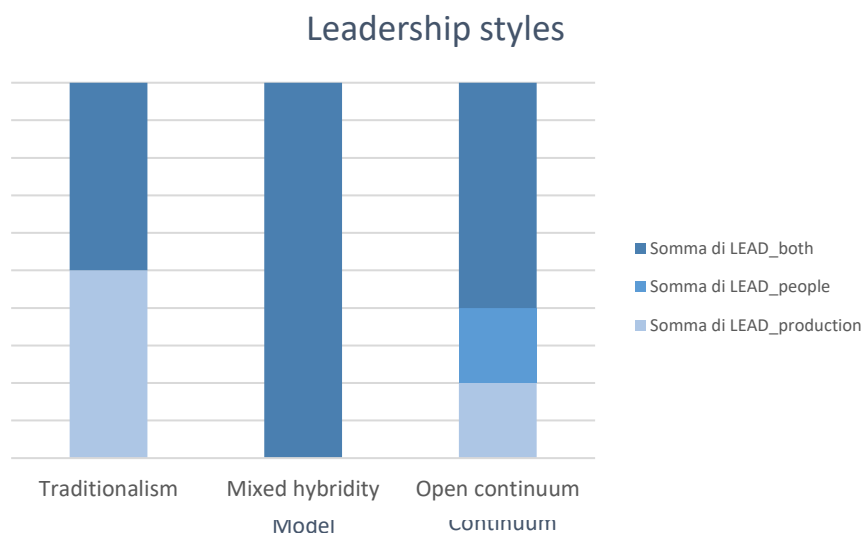

Figure 61: Leadership style

Conclusive observations on clusters

What is important to understand at this point of the analysis is whether the adoption of the practices characterising each cluster is dependent on some intrinsic characteristics of the company itself or something that can be modified according to the situation. As already shown, the membership to a cluster or to another is strictly correlated with the age, the dimension and the HR function maturity: different configurations of these three features make companies less or more suitable and effective in integrating freelancers in their workforce and exploit the full potential of these resources (i.e. companies belonging to *Traditionalism*, characterised by longer histories and by more bureaucratic structures, are less inclined to adopt more innovative strategies if compared with younger companies). Furthermore, what is noteworthy is that **different clusters are characterised by different adoption drivers** (*Figure 62*): *Traditionalist* firms are driven mainly by the wish to lighten the company's cost structure and to speed-up projects, *Flexible Talent Model* firms start to adopt external resources for englobing strategic competencies and for limiting the company's organic growth, while the ones clustered as *Open Continuum* make their priority the involvement of freelancers in innovative projects.
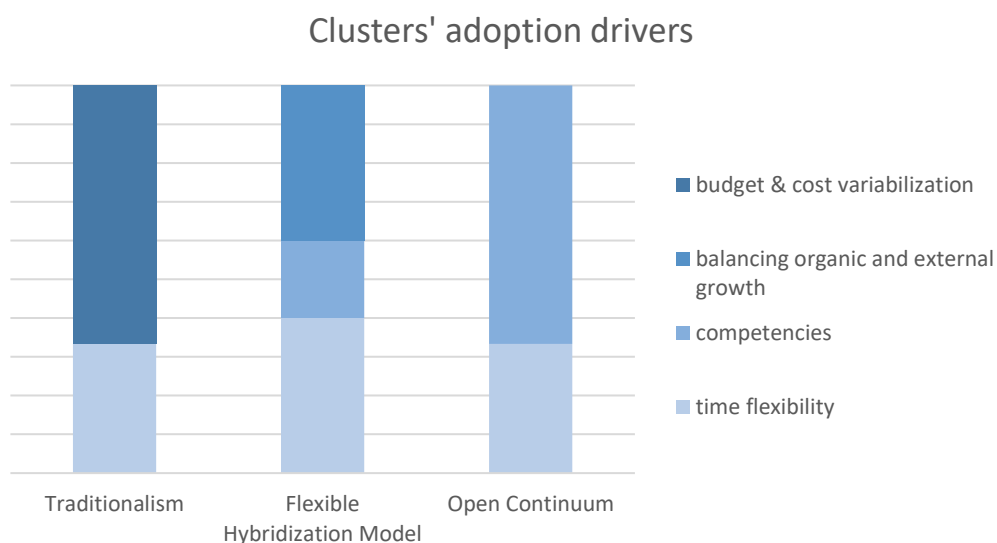

Figure 62: Clusters' drivers of adoption

183

This view can give another perspective to the analysis: the adoption of specific practices and strategies can be a response to the drivers of adoption. This means that the same companies can behave as belonging to one cluster or another depending on the objective or the type of freelancers involved.

6.5. Further Insights

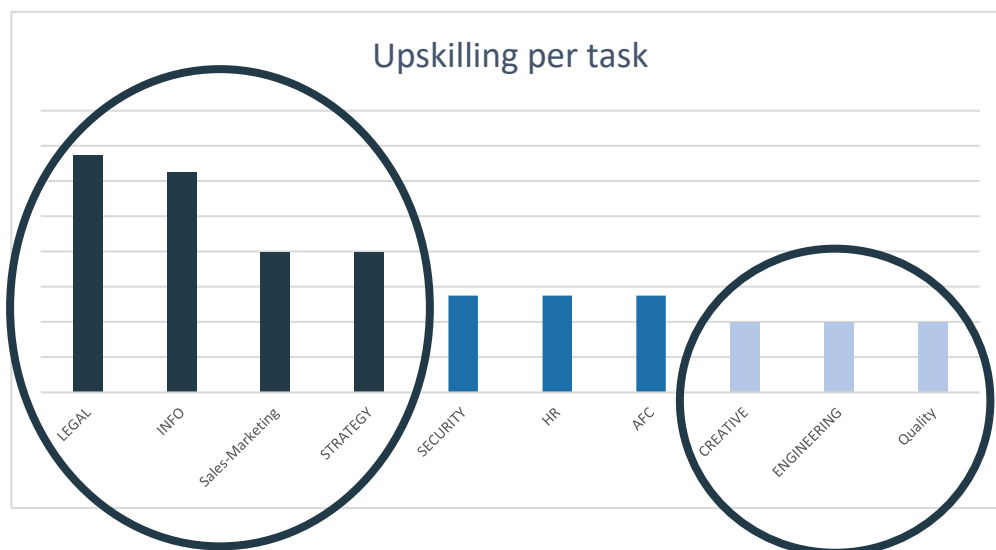A vertical cross-section per type of task outsourced is provided in the following bar chart (*Figure 63*).

Figure 63: Upskilling per task

In most of the cases highlighted with the darkest blue colour, the know-how required was **strategic** for the company. On the other hand, in the cases displayed with the lightest blue, the capacities were mostly **not** strictly **related** to those of the **core business**. Anyway, this first chart is only meant to be descriptive and to provide a quick overview on the matter. To further investigate this aspect, a more detailed analysis has been carried out. The industry sector and core business have been crossed with tasks outsourced to freelancers as dimensions of analysis, to scrutinize whether and how for each area of competencies employing freelancers impacted on innovation depending on the business. The following

184

heatmap provides an overview of the arisen findings: reading it by rows clarifies to which extent each competence area outsourced favours innovation for the analysed business sector; reading it by columns allows to give an immediate glance on which are the competence areas outsourced which can bring the most benefit to every sector in terms of innovation. In particular, darker red cells signal a higher positive impact, while lighter coloured cells represent a less impactful effect. It is important to remind that white-coloured cells are not to be considered in the evaluation since in our sample of analysed companies freelancers were utilised just in some the skills area here reported.
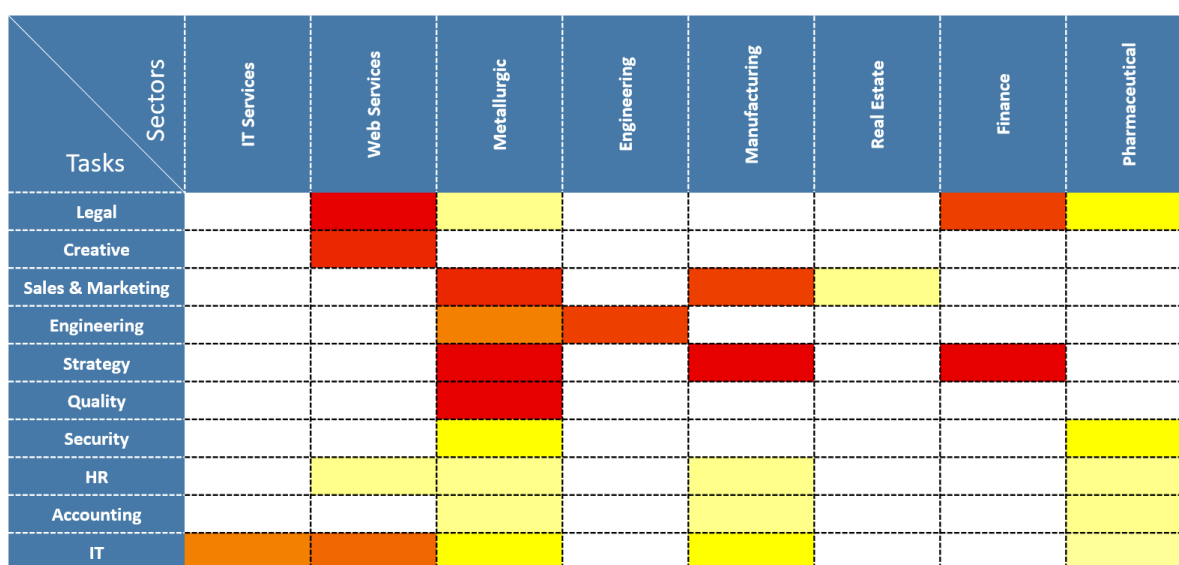
Tasks \ Sectors	IT Services	Web Services	Metallurgic	Engineering	Manufacturing	Real Estate	Finance	Pharmaceutical
Legal		red	light yellow				orange-red	yellow
Creative		red						
Sales & Marketing			red		orange-red	light yellow		
Engineering			orange	red				
Strategy			red		red		red	
Quality			red					
Security			yellow					yellow
HR		light yellow			light yellow			
Accounting								
IT	orange	orange	yellow		yellow			light yellow

Table 28: Tasks' impact on innovation per industry

What emerges from the heatmap is that the most impactful professional roles as regards innovation **vary depending on the industry and core business**. The only innovative roles which are clearly transversal across sectors are the **strategic ones**: temporary management, strategic consulting and similar roles. For these tasks the impact on upskilling and rapid experimentation is positively high in all of the firms of the sample which have outsourced them. The second insight which emerges from this overview is that on general terms the **most impactful competence areas are the ones more related to the core business** of each company: for instance, in the interviewed company belonging to the Engineering sector, outsourcing engineering roles allows to introduce new skills into the company favouring their absorption, the same is true for IT professionals engaged with the IT Service Firm or quality professionals in the Metallurgic Firm, as well as legal professionals in the Finance Firm.

185

In the graph below (*Figure 64*), a scatterplot relating the main measures identified by the responses received regarding **Agility** and those regarding integration and **homogeneity** in relationships and practices between freelancers and employees is displayed.
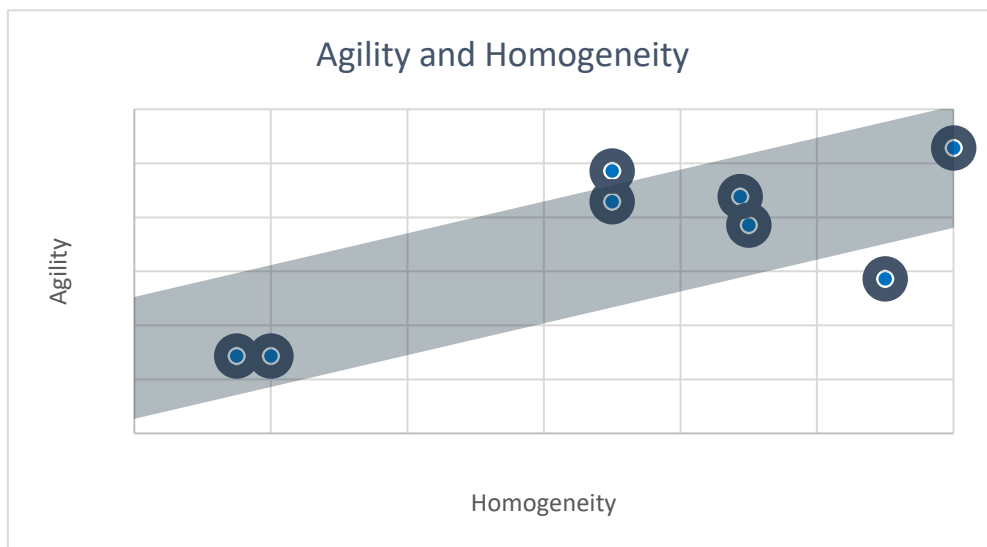

Figure 64: Agility and Homogeneity

Companies relating in the same way to freelancers and to internal workers seem to experience more flexibility, upskilling, ambidexterity.

P_2. Workforce agility is favoured by homogeneity and integration.

A general framework summing up the most impactful variables considered and the single case studies analysed has been depicted in order to compare more consistently and purposefully the possible models and peculiar instances identified. Thus, a model in quadrants resembling a **positioning map** has been constructed along two typologies of variables: approaches and practices applied by companies on one hand; results on the other.
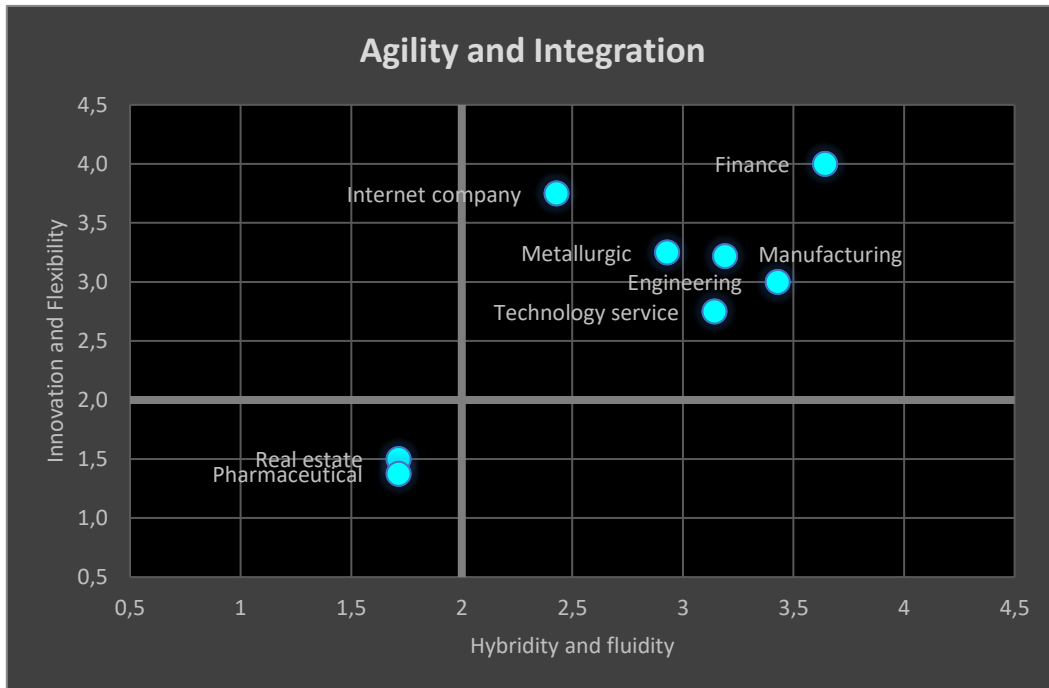
Figure 65: Agility and Integration

This model aims to provide a quick overview on the relationship between models adopted and performances reached, nevertheless it does not overlap nor contrast with the three high-level profiles before described. Nonetheless, it can be noticed how some of the firms in our sample of analysis belonging to the cluster of open continuum result as the best performing, in the top-right quadrant, while those described by the profile of Traditionalism fall into the bottom-left quadrant of the chart.

P_3. Integration in hybrid teams favours Workforce Agility.

7. Conclusion

Having provided an answer to the research questions, the dissertation is reaching the conclusive point. This final chapter aims to shed light on the main managerial implications of the study, arisen from the combination of literature and real-world cases, the limitations and the possible directions for future research.

7.1. Managerial implications

The results presented in the Discussion chapter report how companies are dealing with the integration of external resources into their workforce systems, transforming them into hybrid ecosystems, bringing some managerial implications for firms that want to best face the challenges that this change involves.

Firstly, a firm willing to integrate hybrid teams into its workforce setting up a proper ecosystem, needs to have some **cultural traits** and a **general approach** towards its workforce. The main ones identified are: homogeneity and similar treatment in terms of retribution drivers, allocation criteria, management style and leadership philosophy, conflicts and feedback management, motivation and engagement practices. This favours integration and coordination among internal and external talent.

Secondly, some **best practices** in terms of **coordination and integration** of work when dealing with hybrid teams have emerged from the case studies under analysis. The followings sum up the principal ones. Allocation to the project tasks and roles by competencies rather than looking solely at the time and budget for the company favour workforce flexibility and competence absorption. Control mechanisms which monitor the work in progress now-and-again like milestones are likely to prevent misunderstandings and superfluous rework; while output-oriented ones like KPI give the work a structured setting and favour a brilliant success in reaching the set objectives, as well as motivating workers. Communication, open and transparent dialogue and predisposition to compromise are evergreen conflict solving strategies, but anticipating must not be neglected. It is intended as making sure every possible countermeasure is taken in order to avoid making a conflictual situation arise,

putting each side of the collaboration relationship in the best conditions to work and co-work. Motivating exclusively by economic or contractual details does not reveal particularly successfully, and neither does engaging through the same means, as far as external workers as concerned. Instead, balancing different types of motivating and engagement practices like providing an interesting and stimulating work content, nurturing a fruitful long-term relationship, offering some kind of job variation and acknowledging the quality and helpfulness of freelancers' contribute can perform well in terms of incentives. Keeping interest both for production and for people, and in particular putting effort in building a healthy environment with harmonic working relations rather than focusing on the mere achievement of the objectives prefixed as expected results of the project or task, in the long run, does not hinder performance, on the contrary, it eases it.

Finally, no prescriptive indications have been drawn by the experiences of the interviewed firms relying on **e-lancers**, nevertheless the **benefits** of this approach have emerged positively and are here summarized:

1. **Time**: reduced time to find, select and engage with a proper resource
2. **Costs**: reduced cost for the selection process, as well as reduced average cost for the resource's working time as well
3. **Efficacy**: on average, more efficacious matching and higher probability of finding the desired and adequate resource, fitting for the task and with the adapt skills

7.2. Limitations of the study

The research has been conducted in a structured way, strictly following the developed framework and research protocol. Anyways, some limitations must be acknowledged.

Firstly, a limitation can be identified looking at the set of firms that have been selected for the interviews: in this study, data were collected from **Italian companies and Italian freelancers**, and generalization of results on freelancing industry is somehow limited. It would be interesting to compare different demographics, both European but also international, and their effect on the adoption of freelancers by companies. Indeed, as

emerged by the literature, the main studies take as sample multinational firms, operating in the United States, South-East Asia or other countries worldwide.

Being the majority of the firms analysed in this thesis mainly small and medium sized company operating in Italy, future studies could take into considerations **larger companies** in order to understand if and how the dynamics and managerial implications change according to the selected sample, since national culture could have affected some contextual variables as well as the effects of a certain combination of characterizing ones. Furthermore, the selected company are different in size and age, making the studied sample heterogeneous: this choice has been taken consciously in order to investigate the effect of freelancers on different kind of organizations, both established companies and start-ups, and in order to generalize the results as much as possible. However, it must be taken into account that the answers given by the interviewees could be influenced by the characteristics of the company and somehow biased.

Another limitation may be constituted by the fact that in the sample of analysis, the majority of the selected companies make use just of traditional freelancers (i.e. they exploit traditional intermediary such as agencies) or just e-lancers. Thus, a limited number of companies has leveraged on **both kind of intermediaries** so to be able to give insights on the difference or similarities of such choice. Future studies could further deep dive the structural comparison between the two solutions.

Since correlation does not mean causation, and even more so, coexistence does not mean causation, future studies can deepen the **relationship between** the type of **parcelization** and **assignation** methods and the effect on **teams' agility** and flexibility, in particular whether the involvement of freelancers in hybrid teams can root a more flexible allocation of internal resources to project teams too.

Finally, the last limitation can be associated with the **size of the data set**. Indeed, the number of case studies is not statistically relevant, even if it is possible to observe a clear pattern of the results. It would be important to test the findings among a new and broader set of case studies in order to find some significant statistical inferences.

7.3. Future directions

The dissertation reaches some relevant conclusions that can enlarge the actual literature state of the art and illustrates some managerial implications that could be exploited by practitioners. Of course, there is a large room to conduct this research topic both deepening inside the digital labour platforms world and enlarging the results, given the recent growing trend of this topic.

As already mentioned, it would be important to conduct more research on this topic applying the same research protocol to a new kind of data set: **without geographical limits** in order to eventually generalize the results, showing that there is no correlations with the national culture, or if there is one, explaining its roots. Another possible study could be to create **homogeneous sets of companies**, based on their **size, age or corporate structure**, in order to understand if companies belonging to the same cluster experience in the same way the adoption of external resources and share the same managerial implications, and how they change from a cluster to another, even if some considerations have already been presented in the paragraph dedicated to limitations.

Another future direction could be the **deepening of some specific subtopics**. For instance, it may be useful for practitioners having more insights on how the adoption of freelancers and e-lancers has an impact on the leadership adopted by the line managers when dealing with external resources or also, on the other way round, how the different leadership styles brought inside the company by temporary managers or other external resources covering strategic roles merge with the corporate culture. Also, other sides of the relationship between the adoption of freelancers and other organisational agility practices, as presented in paragraph dedicated to strategy and agility, may be subject to further analysis.

Finally, getting access to a much larger dataset should be considered as basis to develop **statistical and quantitative relevant analyses** on the question.

7.4. Conclusions

The world of work is experiencing a profound change. A change that menaces to disrupt workforce paradigms, traditional working arrangements and legal contract models. This change is systemic, rapid and ineluctable, accelerated by the disruptive transformations of work life brought by the pandemic and which will probably be a permanent heritage for future generations. The adoption of a modernised workforce paradigm that reflects all the shades of different working arrangements and values each of them to become part of a harmonic totality represents a non-negligible opportunity for companies to enhance their level of agility. If expectations are very high, the result is by no means a foregone conclusion. Shifting the workforce paradigm is a weighty transformation for an organisation and presents a high degree of complexity because of the many variables that must be taken into account: the potential implications on the business model, the impacts on the socio-technical system, the enabling technologies and the required cultural traits. It is therefore essential to get prepared to face and guide the transition from the traditional, closed system company-employees to the open, collaborative model of hybrid workforce ecosystem. It is an essential step to undertake in order to tap the talent gaps every company faces nowadays, and it is essential as a means to reach the workforce agility and flexibility that a dynamic, evolving market requires and which are the key to innovation.

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8.2. Sitography

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9. Annexes

Le seguenti domande sono state rivolte ai rappresentanti delle aziende intervistate

0. Background dell'intervistato

    0.1 Qual è il suo ruolo in azienda?

    0.2 In che misura il suo lavoro è correlato a quello dei freelancer esterni?

    0.3 In che modo è coinvolto nella decisione di utilizzare freelancer esterni (se lo è)?

    0.4 In che modo è coinvolto nella gestione, organizzazione e nel coordinamento del lavoro dei freelancer esterni (se lo è)?

1. Contesto - Ci può raccontare di cosa si occupa la vostra azienda?

    1.1 La storia dell'impresa;

    1.2 La struttura societaria, ownership e organizzazione;

    1.3 La vision e mission dell'impresa;

    1.4 Le funzioni chiave;

    1.5 Cultura aziendale (distribuzione leadership, filosofie adottate);

    1.6 Stile manageriale (orientato alla pianificazione vs azione; partecipativo vs top-down, tipo di coordinamento implementato: supervisione diretta, mutuo adattamento…).

    1.7 Maturità della funzione e delle practices HR

2. Focus freelancers - Qual è e qual è stato, in passato, l'approccio aziendale all'utilizzo di freelancer esterni?

2.1 Storia dell'utilizzo dei freelancers, se sono stati utilizzati da sempre?

2.2 per quali tasks, quali sono le skill più richieste?

2.3 Quali sono i canali maggiormente utilizzati per arrivare ai freelancer? Per quali motivi (vantaggi/svantaggi)?

2.4 vengono utilizzati anche e-lancers?

2.5 Quali sono le motivazioni che spingono ad utilizzare i freelancers (vantaggi)? Quali sono i contro/le maggiori criticità?

3. RQ1 – Impatto sull'Agility

3.1 Come hanno influito i freelancer sull'introduzione di innovazione e sull'upskilling nella compagnia?

- *I freelancer hanno portato competenze innovative alla sua azienda?*

3.2 Come i freelancer impattano e hanno impattato sulla flessibilità organizzativa?

- *Come vengono assegnati ai vari tasks e progetti? Sono stati allocati a diversi task e progetti ad hoc in base alle competenze?*
- *Hanno influito sulla flessibilità dei team di progetto? l'allocazione delle risorse ai diversi tasks sulla base delle competenze viene usata anche per le risorse interne?*

3,3 Come impattano e hanno impattato sulla digitalizzazione e sul lavoro agile, da remoto?

- *La loro adozione ha favorito l'utilizzo di forme di lavoro smart, agili e a distanza?*

- *La collaborazione con freelancers ha portato ad un maggior utilizzo di piattaforme digitali per l'ICT? O altri strumenti?*

3.4 Come hanno influito, se hanno influito, i freelancers sull'approccio exploration-exploitation?

- *In generale, impattano su come vengono allocate le risorse per l'innovazione e per i lati più tradizionali e consolidati del business?*

3.5 Come hanno impattato i freelancer sui modelli di retribuzione?
- *Hanno portato all'adozione di modelli pay-per-output nella compagnia, (tali modelli sono stati estesi anche ai dipendenti dell'azienda)?*

4. RQ2 – Operational practices

4.1 Come coordinare efficacemente il lavoro di team ibridi?

- *Come vengono parcellizzati/suddivisi i processi per l'assegnazione a team ibridi? Da chi/che ruolo aziendale?*
- *Quali sono vantaggi e svantaggi del sistema di parcellizzazione utilizzato?*
- *Quale ruolo aziendale si occupa di gestire il coordinamento?*
- *Quali meccanismi di controllo vengono implementati? Si differenziano tra attori interni e esterni*
- *Come vengono gestiti i feedback? Pro e contro.*
- *Quali sono secondo la vostra esperienza i problemi che emergono maggiormente riguardo la gestione di team ibridi?*

4.2 Che tipo di leadership è più adatto per uno staff diversificato di attori interni e esterni (Come coinvolgere e motivare al meglio lavoratori esterni)

- *Quali pratiche utilizzate per motivare?*
- *Come create l'engagement dei lavoratori esterni?*

- *Quali sono vantaggi e svantaggi di questo metodo?*

- *È più importante avere concern for production o concern for people ? (leadership style)*

4.3 Come gestire relazioni, interazioni e conflitti in un network fluido?

- *Quali strumenti/mezzi ICT vengono utilizzati per la comunicazione e condivisione di informazioni tra attori interni ed esterni?*

- *Come definire delle gerarchie (se ci sono) o meccanismi di autorevolezza di interni su esterni o esterni su interni?*

- *Quali situazioni generano più conflitti?*

- *Quale tipo di atteggiamento è più utile per gestire i conflitti che coinvolgono i lavoratori esterni? La gestione dei conflitti cambia da attori interni o esterni?*

Se utilizzano/hanno utilizzato piattaforme e altri intermediari tradizionali

5. RQ3 – differenza platforms e intermediari tradizionali

- *L'accesso ai freelancer tramite piattaforma impatta sul tempo necessario a trovare e selezionare la risorsa?*

- *L'accesso ai freelancer tramite piattaforma permette di accedere più facilmente alle risorse? (per esempio consente di snellire i processi di selezione)*

- *Ha un impatto sui costi sostenuti dalla compagnia?*

- *Ha un impatto sulla capacità di selezionare la "giusta" risorsa? (matching)*

Le seguenti domande sono state rivolte ai freelancer e lavoratori indipendenti intervistati

0. Background dell'intervistato

    0.1 Qual è la sua area di specializzazione?

    0.2 Da quanto tempo lavora come freelancer?

    0.3 Prima di diventare freelancer, qual è la sua esperieza lavorativa?

    0.4 In che aree aziendali lavora più spesso come freelancer esterno?

    0.5 In quali settori ha lavorato come freelancer?

    0.6 Per quali motivi (vantaggi ricercati) lavora come freelancer?

    0.7 Quali sono gli svantaggi principali nel lavorare come freelancer?

    0.8 A quali intermediaries si appoggia prevalentemente per trovare clienti-compagnie?

1. RQ2 – Operational practices

    1.1 Come coordinare efficacemente il lavoro di team ibridi?

- *Come vengono parcellizzati i processi per l'assegnazione a team ibridi? Da chi/che ruolo aziendale?*
- *Quali sono vantaggi e svantaggi del sistema di parcellizzazione utilizzato?*
- *Quale ruolo aziendale si occupa di gestire il coordinamento dei team?*
- *Quali meccanismi di controllo vengono implementati? Si differenziano tra attori interni e esterni?*
- *Come vengono gestiti i feedback? Pro e contro*
- *Quali sono secondo la vostra esperienza i problemi che emergono maggiormente riguardo la gestione di team ibridi*

1.2 Che tipo di leadership è più adatto per uno staff diversificato di attori interni e esterni (Come coinvolgere e motivare al meglio lavoratori esterni)

- *Quali pratiche utilizzate per motivare ed incentivare?*
- *Quali pratiche vengono usate per creare engagement*
- *Quali sono vantaggi e svantaggi di questo metodo?*
- *Quale stile manageriale pensa sia più adatto per il coordinamento di uno staff ibrido? (orientato alla pianificazione vs azione; partecipativo vs top-down…)*

1.3 Come gestire relazioni, interazioni e conflitti in un network fluido?

- *Con quali figure/ruoli aziendali si interfaccia più spesso?*
- *Quali strumenti/mezzi ICT vengono utilizzati per la comunicazione e condivisione di informazioni tra attori interni ed esterni?*
- *Come definire delle gerarchie (se ci sono) o meccanismi di autorevolezza di interni su esterni o esterni su interni?*
- *Quali situazioni generano più conflitti?*
- *Quale tipo di atteggiamento pensa sia più utile per gestire i conflitti che coinvolgono i lavoratori esterni? La gestione dei conflitti cambia da attori interni o esterni?*

1.4 Quale cultura aziendale è più adatta a integrare il suo lavoro con quello dei dipendenti interni? (distribuzione leadership, filosofie adottate);

Ringraziamenti

La prima persona che vorrei ringraziare è Giovanni, perché questo lungo viaggio sarebbe stato molto più noioso e faticoso senza di lui, e perché nessuno avrebbe potuto chiedere un compagno migliore, per la tesi e per tutti questi cinque anni.

Devo poi ringraziare la mia famiglia per il supporto che non è mai mancato. Un ringraziamento speciale va ai nonni. Senza di loro non sarei mai arrivata dove sono ora. Grazie anche ai miei genitori per il consistente aiuto in questo lavoro di ricerca.

Ringrazio infinitamente Davide perché senza di lui starei ancora studiando fisica tecnica, e perché c'è sempre stato. Ringrazio Ambra per l'affetto e il sostegno incondizionato di questi anni, e Jacopo che è stato il mio Virgilio in questa lunga e impegnativa avventura.

Infine, ringrazio tutti i miei amici che mi hanno sopportata e con cui ho condiviso questo cammino. Siete troppi per nominare tutti, ma grazie soprattutto ai migliori consulenti di Milano Giorgia, Lorenzo, Margherita, Leonardo e Mario, grazie Monica e Andrea, grazie Matteo e Paolo, grazie all'ingegner Marco Armellini e alle sue teorie creative.

-

Innanzitutto, vorrei ringraziare Francesca, che mi ha supportato e sopportato non solo durante questo lavoro di tesi ma durante tutti questi 5 anni, da quel giovedì di quel lontano ottobre 2016, quando per la prima volta ci siamo trovati seduti vicini alla prima esercitazione di analisi 1.

Un ringraziamento particolare alla mia famiglia, in particolare a mio papa Renato, mia sorella Francesca e mia nonna Graziella e soprattutto a mia mamma, Antonella, che ha resistito fino alla fine per vedermi crescere, e ce l'ha fatta, e tutti i miei risultati, passati e futuri, li dedico a lei.

Ringrazio tutti i miei compagni di Università, che hanno contribuito a rendere questi 5 anni di impegni e sacrifici più leggeri e piacevoli. Tra loro ringrazio in particolare Rafaela, che mi ha accompagnato durante il difficile percorso dell'industrial Management Lab.

Ringrazio infine gli amici di Voghera, specialmente Vittorio e Francesco, per esserci sempre stati nonostante le distanze.

-

Infine, un sentito grazie alla professoressa Cagliano e alla professoressa Canterino, per il supporto e per averci guidato lungo l'intero lavoro di tesi