

# Evolution of the Employee

Gone are the days of gold watches and retirement parties celebrating decades of service to a single organization. Generation Z enters a workforce with more flexible ways to work than their grandparents could have ever imagined. Let's take a look at the many employment types in today's workforce.

## Traditional Full-time Employee

Traditional employment relationships as a full-time employee

The median tenure of workers ages 55-64: **9.9 years**.  
The median tenure of workers ages 25-34: **2.8 years**.<sup>1</sup>



## Part-time Employee

Traditional employment relationship but as a part-time employee

Nearly **1/4 of workers** were classified as part-time in 2020 with < 35 hours per week on average.<sup>2</sup>



## Consultants and Contractors

Groups or individuals hired for specific roles or projects through a business-to-business relationship

**One in 5** U.S. jobs is held by a contractor.<sup>3</sup>



## Freelance / Gig

Independent workers hired for transactional or project work generally through a digital platform. May work on assignment for a single organization or several organizations simultaneously, and work as few or as many hours as they wish.

**59 million Americans** – 36% of our total workforce – are now freelancing.<sup>4</sup>

**52% of C-suite leaders** expect to significantly increase their use of on-demand talent platforms.<sup>5</sup>



## Challenge-Based and Crowdsourcing

Organizations accomplish work through offering challenges via digital platforms. Respondents may work on solutions as a side-gig or full-time basis.

The global market revenue for crowdsourcing platforms is expected to be **\$154 billion** by 2027.<sup>6</sup>



## AI-Augmented Worker

Rather than the artificial intelligence being associated with the organization, the AI is paired with a specific individual creating a super-capable person with unique skills.

One projection has the intelligent virtual assistant (IVA) market growing at 34% compound annual growth rate (CAGR) to **\$38 billion** by 2027.<sup>7</sup>



## Gig Teams or Teams as a Service

The democratization of labor enables gig models to evolve beyond individuals. Teams of individuals with a collective skill offer their capabilities as a unit directly to organizations.

As freelance platforms grow, CAGR **over 15%** from 2019 to 2025, expanding from teams to individuals is likely.<sup>8</sup>



The type of labor an organization requires is only one dimension of the relationship between it and its workers. Others include:



**Duration of the need** – Specific-duration relationships become the norm as employers realize their strategies and skill requirements will change and individuals realize their skills will only be marketable for a limited period of time.



**Units of labor** – Virtualizing work allows labor to be acquired in units as small or as large as needed to accomplish a task. Beyond regulatory constraints, this creates significant opportunities for innovation.



**Organizational Level** – It may be that only certain management levels or core functions, that can shift with strategic shifts, are the enduring part of an organization and all the other labor is temporary based on strategic focus.

**Is your organization prepared to support the workforce of the future?**

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Descriptions refer to operational categories of workers and are unrelated to IRS employment categories.

1. U.S. Bureau of Labor Statistics  
2. U.S. Bureau of Labor Statistics  
3. Harvard Business Review  
4. Upwork's Freelance Forward 2020: The U.S. Independent Workforce Report  
5. HBS/BCG Survey  
6. Absolute Markets Insights Report: Crowdsourcing Market 2019-2027  
7. Grandview Research Report: Intelligent Virtual Assistant Market Size, Share & Trends Analysis and Segment Forecasts, 2020-2027  
8. Market Research Report: Global Freelance Platforms Market Size, Status and Forecast 2019-2025