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JAUNĀS PAAUDZES KĀ POTENCIĀLIE NOSACĪTĀ

DARBASPĒKA DALĪBNIKI

Young Generations as Potential Participants of Contingent Workforce

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ANNOTATIONS

The existing research on the specific motivations of young generations in the contingent work setting is rather limited. Therefore, further research is needed to study the reasons for their willingness to join contingent employment as well as the specific tools for managing and motivating them in contingent positions.

In this research scientific literature, statistical and primary data were analysed in order to outline the specific motivational tools that companies should use when dealing with young contingent employees.

As a result, providing the youth with an adequate level of pay has shown to be the most effective motivational tool that enterprises could use for motivating young contingent employees.

Key words: Contingent employment, young people, employee motivation, quantitative survey, in-depth interview, motivational tools, adequate pay

ANOTĀCIJA

Esošie pētījumi par jauno paaudžu īpašo motivāciju nosacītas nodarbinātības apstākļos ir visai ierobežoti. Tāpēc ir vajadzīga turpmāka izpēte, lai izvērtētu iemeslus viņu gatavībai pievienoties pastāvīgai nodarbinātībai, kā arī īpašos instrumentus viņu motivēšanai.

Esošā zinātniskā literatūra, statistiski un primāri dati tika apkopoti un analizēti, lai izpētītu specifiskus faktorus, kas varētu ietekmēt jauniešu motivāciju nosacītajos amatos.

Tādējādi, jauniešu nodrošināšana ar pietiekamu atalgojuma līmeni ir izrādījusies visefektīvākais motivācijas instruments, ko uzņēmumi varētu izmantot jaunu nosacītu darbinieku motivēšanai.

Atslēgas vārdi: Nosacīta nodarbinātība, jaunieši, darbinieku motivēšana, kvantitatīva aptauja, detalizēta intervija, motivēšanas instrumenti, atbilstoša darba samaksa

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INTRODUCTION

The choice of topic and its relevance:

In the 21st century contingent work is rapidly gaining momentum as the new model of employment for workers of different fields and specialties. Companies, searching for methods to cut their costs, are more and more often preferring to outsource some of their business functions and hire contingent, or in other words, temporary employees. An increased amount of enterprises and start-ups are choosing to base their operations on the model of contingent employment and some of the most well-known examples of that could be ride-sharing taxi applications, food delivery services and others. Freelancing, one of the most well-known examples of contingent work, has gained massive popularity during the past decades due to the widespread use of internet and technology and since the trend for contingent work and freelancing in particular is a relatively new phenomenon, understanding its essence is crucial for developing specific approaches to management of the so-called contingent employees. Such issues as motivating, retaining and organizing temporary workers are becoming relevant for a larger number of companies, therefore finding effective ways to manage these workers is essential. Besides, in order to have a better understanding of the potential effects contingent employment can have on the future of the countries' economic development, it is important to determine who temporary workers are, what are their needs and what are their aspirations in this field.

Contingent employment is seen as an especially attractive option for students and graduates of universities; therefore, the population of contingent workers tends to be younger than that of the permanent ones. And since contingent work is much of a growing trend, it is important to understand whether it could be a potential long-term career path for the youth or whether it is a temporary tool that students and young people use in order to earn additional income or temporarily gain a certain level of experience in some field before pursuing a permanent full-time position. Besides, it is important to analyze if approaches to managing younger population would differ from those of managing the older one, and if yes, than how significantly.

Since contingent work as a model of employment has only started gaining mass popularity with the start of the digital age, the research on this topic is rather limited. Moreover, there is currently not much research available about the role of young people in contingent workforce and approaches to motivating them. That is why this research will be focused on addressing the specifics of motivating the youth in the contingent employment settings as well as organizing their work in an efficient manner. Besides, it is crucial to research the willingness of young people to join the contingent workforce, in order to determine in which direction, the global trend is heading and what future predictions for the industry could be made.

Aim of the work: based on the analysis of academic and professional data, as well as primary data collected from young people and employers, to develop specific approaches for companies towards motivating young population in contingent work settings.

Tasks:

- To analyze existing theoretical literature in order to outline the universal definition for contingent employment and its key features.
- To study the traditional motivational theories and approaches used to motivate employees from different age groups, which would allow to outline the specific differences between motivating younger and older generations of workers.
- Analyzing statistical data in order to establish the overall development trends of contingent employment across Europe and internationally (with assessing the trends for freelancing and temporary employment, the two most prominent types of contingent work, separately).
- Conducting correlation analysis in order to assess potential reasons for different levels of popularity of contingent employment among different countries.
- With the help of statistical data analysis, assessing the role of the youth in the modern trend of contingent employment, and as a result of conducted correlation analysis outlining the possible reasons for different involvement of the youth in contingent work in different countries.
- By conducting a quantitative survey and subsequently analyzing the collected primary data, assessing the key reasons for young people joining contingent workforce and their most prominent potential motivators on in contingent workplace settings.
- By splitting the sample according to the field of study or occupation, country of residence and occupational status of respondents, assessing whether potential motivating factors differ for young people from different educational and professional backgrounds.
- With the help of an in-depth qualitative interview with an industry expert, assessing real-life implications of working with young contingent workers and the particular motivational tools that large multinational companies use for motivating freelancers and temporary employees.
- Making relevant conclusions regarding the topic and giving specific recommendations to companies regarding the ways of motivating young contingent workers.

Description of the work's structure:

In order to achieve the aim of the research, the work is split into three equal parts: analysis of the literature, analysis of statistical data and analysis of primary data.

In the first part such literature as academic papers, books and journals will be analyzed in order to establish the key features of contingent employment, that is, what it is and how it works. Then specific measures used to motivate workers, and in particular the younger ones, will be analyzed in order to establish the key differences between motivating older and younger populations. Finally, specific approaches to managing young employees will be determined in order to establish the specific management measures that apply exclusively to the youth and not the older employees.

The second chapter is dedicated to analyzing statistical data in order to outline the growth of contingent employment, its importance and its effects on the global economy. Since contingent employment is a broad term and it can take place in several different forms, two of the most prominent types of contingent work, that is, temporary employment and freelancing were analyzed separately to outline two separate sets of trends applicable to each one of them.

In the last chapter primary data will be collected through questionnaires about the willingness of the youth to join contingent workforce, in order to establish their potential motivations and professional needs that employers or contract providers have to satisfy. The survey is using a broad definition of young people (that is, those aged between 18 and 35 years), therefore the research is distinguishing between the students and the graduates of universities.

Finally, the attitude of employers towards employing young people for contingent work will be analyzed with the help of interviews, in order to establish what are the essential requirements and skills employers are looking for in potential candidates for contingent jobs. Besides, analysis of specific tools employers use to motivate young contingent workers will be conducted in order to outline the specific differences in approaches to motivating young working population.

Description of research methods:

In the first theoretical chapter analysis of academic literature will be the main research method. Analysis will be based on such sources as topic-related books, academic papers, journals as well as papers released by the leading enterprises using contingent workforce as part of their daily operations.

The main research method in the second chapter is data analysis, which includes construction of graphs and correlation charts in order to better illustrate the current global trends in relation to contingent employment.

The third chapter will be based on collecting primary data through such means as questionnaires and interviews with a subsequent analysis and conclusion development. Questionnaires are chosen as

the main method for data collection due to the fact that it allows to collect large amounts of information from larger groups of population, which will make it possible to draw generalized conclusions about the youths' views on contingent employment and their potential motivating factors. In-depth interview will be used in order to attain a more detailed information and view on the topic from an employer, which questionnaires don't usually allow to do due to a large amount of questions and respondents.

Research time period:

Even though contingent employment is a concept that has been known since the early 19th century, its rapid growth and development has started in 1990s with an introduction of internet and modern technology. Therefore, the research will be focused on the current contingent employment trends that have been taking place for the past two decades. The research for the first theoretical chapter was conducted mostly using relatively recent sources that are no more than 20 years old in order to ensure the relevance of the motivational theories regarding the youth. However, older sources release in the mid-to-late 1990s were used to, in order to assess the older, more traditional motivational theories and approaches.

The second chapter of the research that is focusing on secondary data analysis is based mostly on the data from the time period of 2008-2019, which ensures the precision and relevance of the observed trends regarding the global growth and development of contingent employment.

The research for the final chapter involving primary data collection and analysis (quantitative survey and qualitative interview) was conducted over the months of October and November in 2020.

Research limitations and narrowing of the topic:

The most significant aspect that has been ignored in the research is the global epidemiological situation in the context of the COVID-19 health crisis. Since the research was started and to a great degree carried out before the start of the COVID-19 pandemic, its impacts, although possibly significant, were mentioned only briefly in the concluding parts of the research. Only brief assumptions were made on the possible effects the pandemic could have on contingent work and the young people's participation in it in the future. The research itself and its conclusions are, however, solely based on the global labor market and economic situation before the epidemiological events that took place in 2019 and 2020.

Description of literature and sources:

A wide variety of scientific and academic literature was used for the sake of the research, with the main focus being on academic journal articles, as well as industry reports. Such databases as Sage journals, Elsevier, JSTOR, Scopus and others were used. Academic publications from both Western

and Eastern universities were also used, as well as such databases as Eurostat and OECD. In order to ensure maximum precision of the researchable information and its relevancy, only relatively recent sources were used; no more than 20 years old, apart from those regarding the theoretical aspects of the problem.

1. CONTINGENT EMPLOYMENT AS A CHOICE CAREER CHOICE FOR THE YOUTH

Contingent employment has seen a rapid growth with the introduction of digital technology and its economic and social influences are increasing respectively. As of 2017, contingent workers accounted for 20% of the global workforce, with a substantial increase of 5% since 2014¹. Nowadays contingent employment is widespread and can be encountered almost in every industry, ranging from transportation to sales services. Furthermore, some occupational groups have seen more than proportional rise of contingent employment compared to the traditional temporary employment models (e.g. construction, farming and professional occupations).

The focus of this chapter will be on understanding contingent employment as a general concept and then determining the role of young employees in it. Considering its growing popularity, contingent work is often seen as the employment model of the 21st century, therefore it is crucial to estimate its potential of engaging university graduates and the youth as a whole and to determine whether young people could become the driving force of contingent employment in the future.

Besides, the chapter is aimed at determining whether there are significant differences between managing and motivating the youth and the older employee populations. Considering the growing involvement of young people in contingent employment it is crucial to outline the specific approaches that are suitable exclusively for the younger workers, in order to be able to determine the ways companies could maximize the young workers' efficiency and performance in contingent employment settings.

The focus of the first sub-chapter is therefore going to be on the broader definition of contingent employment and its overall features, with the following chapters narrowing the topic down to the role of the youth in contingent workforce.

1.1. Features of contingent workforce

Contingent employment can be seen as a broad concept that can take up several different forms in different settings. Overall a contingent worker is defined as someone who “does not have a contract to stay with an organization for an indefinite period of time”².

¹ Clarke, O. (2017). *The Future of Work: Contingent workers and new employment models*. Osborne Clarke.

² Vaiman, V., Azevedo, A., & Jeanette Lemmergaard. (2011). Contingent workers: needs, personality characteristics and work motivation. *Team Performance Management*, 311-324

From there contingent employment can be divided into several groups³:

1. Temporary staff and leased employees (e.g. outsourced accountants)
2. Independent contractors and freelance workers (contracted for fulfillment of specific assignments and projects)
3. Direct hires and in-house arrangements
4. Seasonal workers

One of the main reasons for enterprises to hire temporary workers is the need to complete specific projects that can be satisfied in a timely and efficient manner by employees with specific skills at a feasible price⁴. Flexibility, along with a desire to avoid increasingly complicated termination procedures in relation to permanent employees are regarded as secondary reasons for hiring temporary workers⁵. In the modern globalized economy companies are often experiencing a need of gaining “immediate and specific access to specialized skills and knowledge that may not otherwise be available within an organization”⁶. This is particularly attractive for employers dealing with specific issues in accounting or setting up specific IT software, which requires a one-time use of a worker with a specific set of skills, rather than a long-term employment relationship. Besides, employers are often willing to cut the amount of time and effort required for directly dealing with hiring and training procedures when employing permanent employees, thus reducing the burden on management by engaging employees under temporary contracts.

There are several external factors that could have influenced the growing trend of companies employing more contingent workers. For instance, such factors as globalization and economic recessions could lead to a greater willingness of firms to cut their costs and therefore choose more contemporary and simplistic models of employment⁷. Some argue that supply-side factors could be

³ Ibid

⁴ Vaiman, V., Azevedo, A., & Jeanette Lemmergaard. (2011). Contingent workers: needs, personality characteristics and work motivation. *Team Performance Management*, 311-324

⁵ Ibid

⁶ Gallangher, D., & Sverke, M. (2005, May 1). Contingent Employment Contracts: Are Existing Employment Theories Still Relevant?

⁷ Vaiman, V., Azevedo, A., & Jeanette Lemmergaard. (2011). Contingent workers: needs, personality characteristics and work motivation. *Team Performance Management*, 311-324.

driving the rise of contingent employment as well: due to the rising population employees often choose contingent work because of its greater financial viability compared to permanent employment options⁸.

Another crucial factor that should be taken into account is government regulation which is also believed to influence contingent employment to a great extent. Costs for employing permanent workers have been rising steadily, which therefore encourages companies to hire a greater number of contingent employees due to lower costs of hire, management and training, as well as greater flexibility⁹. Lack of government regulation in regard to contingent work and temporary workers' agencies can often be seen as a stimulating factor for the rise of contingent workforce. Besides, another set of policies that could have historically pushed companies towards non-standard employment arrangements is taxation law, which makes it more costly for enterprises to employ permanent workers.

A significant part of contingent labor force is comprised of the so-called freelancers, that can be also described as "independent professionals", "contractors", or "interim managers"¹⁰. Freelance workers are defined "as those genuinely in business on their own account, working alone or with partners or co-directors in skilled non-manual occupations". Even though freelancers are commonly known as participants of creative industries, this form of employment is also widespread in managerial, scientific and technical sectors. Some of the areas where freelancing is widespread are journalism, translation and copyright services, accounting and others.

Apart from the above-mentioned factors that have stimulated the rise of contingent workforce in the past, technological progress has given contingent employment, and freelancing in particular, a major boost. Nowadays freelancers are able to fulfill their tasks working on a laptop from home, which allows them to perform their work efficiently and at a low cost, thus gaining a competitive advantage in comparison to permanent employees¹¹.

However, in order to get a broader understanding of the trends and reasons for the recent rise of freelancing and contingent work overall, it is worth looking at the Atkinson's "Flexible Firm" model.

The model developed in the mid 1980s was claiming that firms are constantly trying to achieve greater flexibility from their workers and flexibility, in turn, could be divided into three categories:

⁸ Gallagher, D., & Sverke, M. (2005, May 1). Contingent Employment Contracts: Are Existing Employment Theories Still Relevant?

⁹ Ibid

¹⁰ Kitching, J. (2015). *The Handbook of Research on Freelancing and Self-Employment*. Senate Hall Academic Publishing.

¹¹ Ibid

numerical, functional and financial¹². Functional flexibility applies to workers that offer an ability to perform a large variety of tasks and operate with multiple skills, as well as being flexible in accordance with time and being able to comply with organizational demands¹³. Numerical flexibility refers to employees that are not employed on a regular basis, or in other words are temporarily or self-employed, which the company uses to increase the diversity of its workforce. Financial flexibility, however, refers to the availability of resources that could be used to promote functional and numerical flexibility¹⁴.

According to Atkinson's model workers were divided into two categories: "core" and "periphery". Core workers are referred to as stable and highly skilled workers, which are supposed to provide functional flexibility, whereas periphery workers are seen as the ones not involved in the core business operations and therefore could be outsourced or employed on a temporary basis, thus providing numerical flexibility¹⁵. Even though the role of periphery workers is smaller because they are not involved in the business's core activities, they can be much more easily recruited from the labor market and therefore allowing the employer to quickly increase or decrease the labor force in accordance with the company's internal demands or market situation.

Despite the critics of the model we can see clear implication of it in the modern world: companies are expanding their periphery workers category in order to achieve numerical flexibility, or in other words, a higher turnover of skills, ideas and professionals which could be used for fulfillment of specific short-term projects and assignments. In 1984 with the development of the "Flexible firm" model Atkinson predicted the so-called process of peripheralization, or expansion of the peripheral group of works and despite some stagnation in growth of contingent work in the 80s and 90s, the trend is clearly observed today.

Overall contingent workers are an essential component of the modern concept of gig economy, which can be defined as a process of engaging immediate labor on per-task basis with the use of digital

¹² Procter, S., Rowlinson, M., McArdle, L., Hassard, J., & Forrester, P. (1994). Flexibility, Politics & Strategy: In Difference of the Model of The Flexible Firm. *Work, Employment & Society*, 221-242.

¹³ Pollert, A. (1988). The "Flexible Firm": Fixation or Fact? *Work, Employment & Society*, 281-316.

¹⁴ Procter, S., Rowlinson, M., McArdle, L., Hassard, J., & Forrester, P. (1994). Flexibility, Politics & Strategy: In Difference of the Model of The Flexible Firm. *Work, Employment & Society*, 221-242.

¹⁵ Pollert, A. (1988). The "Flexible Firm": Fixation or Fact? *Work, Employment & Society*, 281-316.

technology platforms¹⁶. Gig economy as a type of contingent work has demonstrated a substantial increase in popularity over the past years with one of the key reasons for its success and its attractiveness for temporary workers being low entry barriers. Engaging in a full-type permanent position is often a process involving certain requirements, such as specific diplomas and qualifications, and it is often being burdened with high levels of bureaucracy¹⁷. Gig economy platforms, however, focus on reducing entry barriers for potential workers, which is often done through simplified recruitment processes in the digital platforms. This is seen as beneficial for the customers as they are receiving lower prices and greater variety due to a larger population of workers being able to join the labor market. On the other hand, however, the rise of the gig economy and contingent work overall could have certain negative effects on the economy: the amount of permanent labor force could potentially decrease due to the desire of firms to cut their costs by engaging contingent workers, which would result in the overall lower wages. Therefore, the rise of the gig economy can be seen as one of the examples of peripherisation described in Atkinson's "flexible firm" model; a process in which the group of core workers is decreasing with a simultaneous increase in the peripheral or contingent workers' group.

Overall, contingent workforce can be described as a broad term characterizing a large spectrum of temporary workers: from freelancers to gig economy independent contractors. It encompasses several distinct features, ranging from low barriers of entry to high turnover of workers. It is clear that the growth of contingent employment to a large extent is driven by desire of companies to increase flexibility, improve efficiency and cut their costs, which is resulting in both potentially positive and negative effects on the economy and the wider society.

1.2.Motivational theories and tools

The topic of motivating contingent employees is a consistent part of the modern debate about contingent work: in the working environments where an employer doesn't have a direct employment relationship with the temporary or freelance employee, traditional managerial and motivational strategies may or may not work due to the nature of this form of employment. Since contingent workers are often not employed by the company and are often working on by-task basis, the companies have limited options for managing them and keeping them motivated.

¹⁶ Schwellnus, C., Geva, A., Pak, M., & Veiel, R. (2019). Gig Economy Platforms: Boon or Bane? *OECD Working Papers*.

¹⁷ Ibid

Another important question that should be taken into account is whether contingent workers' needs and desires differ from those of the regular full-time workers, which should be analyzed to get a better understanding of specific motivational tools that could exclusively apply to contingent employees. Although research suggests that contingent and permanent workers don't have significant differences in their needs and motivations, these results were limited by the fact that the surveyed temporary employees were the ones that voluntarily chose contingent employment¹⁸. The research does not, however, elaborate on the needs and motivations of workers who were forced to participate in contingent employment due to unavailability of permanent job opportunities. Besides, the focus of the research was put on all contingent workers overall, and not the youth specifically, thus making it hard to judge about the motivational differences for young employees.

Therefore, it is crucial to assess motivational needs of young people overall and then evaluate if they are different from the older population and if they could be applied to the settings of contingent employment.

In order to understand the particular motivational tools that could be applied to the youth, traditional motivational theories should be analyzed first.

Motivation overall can be defined as "the way of creating high level of enthusiasm to reach organizational goals, and this situation is accommodated by satisfying some individual need"¹⁹.

Motivational theories are various; however, it is worth outlining a few of the most prominent ones. Herzberg's motivation-hygiene theory, for instance, is claiming that motivation is directly dependent on two groups of factors: "motivator" and "hygiene" factors²⁰. Herzberg is also arguing that "motivator" factors are directly correlated with job satisfaction while "hygiene" factors potentially lead to dissatisfaction. He is linking "motivator" factors to intrinsic motivation, which is motivation that comes from within the employees (e.g. their internal values, goals and aspirations), while "hygiene" factors are linked to extrinsic motivation, which is all the external factors affecting the employees (e.g. salary, working conditions). It is also perceived that if employees are finding the work itself enjoyable, they would be more motivated and would therefore perform better.

¹⁸ Vaiman, V., Azevedo, A., & Jeanette Lemmergaard. (2011). Contingent workers: needs, personality characteristics and work motivation. *Team Performance Management*, 311-324.

¹⁹ Haque, M., Haque, M., & Islam, S. (2014). Motivational Theories- A Critical Analysis. *ASA University Review*.

²⁰ Huang, W.-H., Han, S.-H., Park, U.-Y., & Seo, J. (2010). Managing Employees' Motivation, Cognition, and Performance in Virtual Workplaces: The Blueprint of a Game-based Adaptive Performance Platform (GAPP). *Advances in Developing Human Resources*, 700-714.

In his theory Herzberg has created a specific concept of “satisfaction-no satisfaction” and “dissatisfaction-no dissatisfaction”. The theory is highlighting the crucial difference between no satisfaction and dissatisfaction, which are influenced by two different sets of factors (“motivators” and “hygiene” factors respectively)²¹. Therefore, when designing the job tasks and analyzing the employees’ needs it is crucial to identify which specific needs are linked to satisfaction and which are linked to dissatisfaction. That would allow managers to have a better understanding of the tools to use for motivating employees: by understanding the nature of the employees’ needs it would be possible to effectively choose between “motivator” and “hygiene” factors to motivate them.

One of the key motivational tools suggested by Herzberg in his motivation-hygiene theory is job enrichment²². Job enrichment can be described as a set of measures targeted at making the job more challenging and interesting to the employee, thus improving their motivation. In the case of Herzberg’s theory, job enrichment was meant to provide more of the above-mentioned “motivator” factors.

Job enrichment can be conducted in several different ways, with one of them being vertical loading, which is a situation in which lower-level employees are assigned the tasks that their management is usually performing²³. Another tool that could be used to enrich one’s job is natural grouping, which suggests that the employee should perform the task in its entirety rather than the separate parts of it assigned to them. This measure is usually expected to improve the employees’ skills and competencies and would ultimately lead to higher motivation and better performance.

Even though Herzberg’s theory can give us an overall understanding of how motivation works and what are the factors that can potentially affect it, there are certain elements to it that are not necessarily precise and are not necessarily relevant in the modern working environment. For instance, Herzberg was assuming that interpersonal relationships are a hygiene factor, therefore they cannot improve job satisfaction, which has subsequently been proven to be wrong by later research which claimed that people who develop long-term relationships are generally happier and more satisfied with life²⁴. Therefore, Herzberg’s work should be considered as a general framework to motivation instead of a

²¹ Ikwukananne I. Udechukwu. (2009). Correctional Officer Turnover: Of Maslow’s Needs Hierarchy and Herzberg’s Motivation Theory. *Public Personnel Management* , 69-82.

²² Sachau, D. A. (2007). Resurrecting the Motivation Hygiene Theory: Herzberg and the Positive Psychology Movement. *Human Resource Development Review* , 377-393.

²³ Lunenburg, F. C. (2011). Motivating by Enriching Jobs to Make Them More Interesting and Challenging. *International Journal of Management, Business, and Administration*, 1-11.

²⁴ Sachau, D. A. (2007). Resurrecting the Motivation Hygiene Theory: Herzberg and the Positive Psychology Movement. *Human Resource Development Review* , 377-393

precise guide to developing effective motivational tools, since the effects of Herzberg's "motivator" and "hygiene" factors are not always as black and white as he initially suggested.

Another prominent motivational theory is the so-called Maslow's hierarchy of needs, which argues that human beings have a specific set of needs that have to be satisfied in order to yield motivation. According to Maslow, who was studying the effects of psychology on the people's workplace habits, the human needs could be divided into 5 distinct categories: psychological (food, shelter), safety, love or belongingness (intimate relationships and friends), esteem (feeling of prestige), self-actualization (fulfilling personal potential)²⁵.

Maslow's theory placed the human needs in hierarchical order, meaning that in order for one need to be satisfied, the preceding need has to be satisfied first²⁶. Furthermore, Maslow is suggesting that satisfaction of needs doesn't always lead to higher motivation, as lower-level needs do not affect behavior and motivation to the same extent as the higher-level ones do. It is believed that the first three levels of needs (psychological, safety and love) are the most easily attainable, therefore their satisfaction does not usually provide significant improvements in terms of employees' motivation. Esteem and self-actualization are seen as the ones the hardest to achieve and therefore satisfying these needs would yield greater results in boosting motivation at the workplace.

Maslow's theory can be a crucial tool for employers in search of ways to motivate their employees: understanding their needs, putting them in a hierarchical order and coming up with the ways to satisfy them, can be the key to higher motivation among the workforce.

It is also worth mentioning Victor Vroom's expectancy theory, which unlike the previous two, is cognitive process-based, rather than individual needs-bases²⁷. Vroom's theory is stating that employees produce work in order to achieve some of their personal goals, which in turn can be achieved through certain rewards and the overall outcomes of their work. As a result, the study is trying to establish three relationships which directly affect employees' motivation: Efforts/Performance (i.e. Expectancy), Performance/ Rewards and Work Outcomes (Instrumentality) and Rewards and Work Outcomes/ Personal Goals (i.e. Valence). The above-mentioned factors are interconnected, and it is only possible to achieve strong motivation by scoring high on each of the variables. As a result, it is possible to use Vroom's theory as a tool for estimating motivation through

²⁵ Ikwukananne I. Udechukwu. (2009). Correctional Officer Turnover: Of Maslow's Needs Hierarchy and Herzberg's Motivation Theory. *Public Personnel Management* , 69-82.

²⁶ Ibid

²⁷ Parijat, P., & Bagga, S. (2014). Victor Vroom's Expectancy Theory of Motivation – An Evaluation . *Internation Research Journal of Business and Management*, 1-8.

mathematical calculations.

Overall, Vroom's theory is clearly stating that employees would be motivated as long as they feel that their work will result in achievement of certain goals and satisfaction of certain needs²⁸.

Furthermore, expectancy theory has been described as one of the most realistic and reliable motivation theories, which in turn can help managers to better understand employees' psychology and therefore develop effective motivational tools.

Even though motivation theories are various, many of them are revolving around the key aspect: job design is one of the most crucial factors affecting employees' motivation. Besides, recent studies have concluded that job design is one of the four primary tools used to motivate employees. In 2006 researchers have found out that work content is a stronger motivator than salary and benefits²⁹. Therefore, it is crucial to take all the motivational theories into consideration when choosing motivational tools in order to maximize employees' motivation.

1.3 Approaches to managing Gen Z and millennial employees

When assessing the potential of the youth joining the contingent workforce, it is essential to determine whether approaches to motivating and managing them differ. The situation in which there are different generations of employees working in the same company is more than widespread and it is crucial to outline the key differences between younger and older employees in order to be able to choose specific tools for managing and motivating them. It is clear that each generation is influenced by their own set of factors, such as culture, life experiences, education and others, therefore there is a potential for generational conflicts at the workplace when cultural misunderstanding of certain issues takes place.

The four most widely represented generations at the workplace today are represented in the table below:

²⁸ Ibid

²⁹ Giancola, F. L. (2014). Examining the Job Itself as a Source of Employee Motivation. *Compensation & Benefits Review*, 23-29.

Generations currently participating in the labor force³⁰

Generation Name	Span of Birth Years
Baby Boomers	1946 to 1964
Generation X	1965 to 1980
Generation Y (Millennials)	1981 to 2001
Generation Z	2002 and onwards

Since the topic of the research is young people in particular, the focus will be made on the so-called millennials and generation Z, from the perspective of their unique behavioral features and specifically tailored approaches to managing them.

Even though the differences between the above-mentioned generations are various, it is worth outlining the one that's potentially affecting their interaction at the workplace the most: their expectations and perceptions.

One of the clearest examples of the generational differences in expectations could be a situation in which managers, belonging to generation X or baby boomers, would usually expect the younger employees to be more technologically proficient, which might not necessarily be the case³¹. In this situation disequilibrium would occur, leading to an imbalance between the management's perception and expectations towards the younger employees and vice versa. This kind of misunderstandings between different generations of employees could in turn lead to lower productivity, lower motivation and conflicts.

In order to avoid a mismatch between perceptions and expectations of different generations of employees, management should take such steps as recognizing the specific expectations and perceptions of representatives of each generation by carefully observing and consulting them³². Then several tools can be used in order to ensure a smaller expectation-perception gap between the different age groups. One of the most effective measures in this situation is founding an awareness programme,

³⁰ Angeline, T. (2011). Managing generational diversity at the workplace: expectations and perceptions of different generations of employees. *African Journal of Business Management*, 249-255.

³¹ Licata, P. P. (2007, March). Dissertation. *MULTIPLE GENERATIONS IN THE WORKPLACE: A STUDY COMPARING WORK VALUES OF DIFFERENT GENERATIONS OF WORKERS*. Minneapolis, USA: Capella University.

³² Ibid

the aim of which would be to educate workers on the differences between various age groups, which could be done by the means of trainings and educational events. Even though changing expectations that have been formed by years of past experiences and culture can be an overly ambitious goal, such measures as mentorship programmes have proven to be quite effective in reducing misconceptions between different age groups of employees. An example of a company that used this approach is Motorola: they've set up a mentorship programme in which older employees (baby boomers) would guide and train younger ones (millennials). That resulted in an improved self-esteem of boomers as well as encouraged millennials to appreciate and value, the talents and knowledge of their older colleagues.

Communication is often seen as a “clashing point” between different generations, due to potentially different expectations regarding the form of communication, its frequency and degree of formality³³. An example of that could be millennials expecting to communicate with the management in a more informal manner, whereas their older managers could expect more a formal and structured approach. Since intergenerational communication encourages warmer and more trust-worthy relationships between the members of the team, such tool as regular face-to-face meetings as well as corporate emails and news tellers could be one of the ways of improving communication between different generations of workers.

When further analyzing the ways managers could stimulate a more productive and friendly environment within intergenerational teams is encouraging younger workers to assist older ones with technologically oriented processes and tasks. That could potentially lead to better trust, cooperation and overall better relationships between different generations of employees³⁴.

It is often argued that millennials tend to be more creative, however, they often perceive that their older management is not willing to take their ideas and creative aspirations for consideration, which can in turn be explained by the boomer generation overall being more suspicious and skeptical of the youth³⁵. This can usually be resolved by making younger employees a part of strategic planning and decision-making process, which would potentially motivate and would encourage them to work more productively for the good of the company. Besides, narrowing the generational expectation-perception

³³ Guerin-Marion, C., Manion, I., & Parsons, H. (2017). Leading an intergenerational workforce: an integrative conceptual framework. *Journal of Public Leadership*, 48-58.

³⁴ Licata, P. P. (2007, March). Dissertation. *MULTIPLE GENERATIONS IN THE WORKPLACE: A STUDY COMPARING WORK VALUES OF DIFFERENT GENERATIONS OF WORKERS*. Minneapolis, USA: Capella University.

³⁵ Ibid

gap could also be done by cross-generational collaboration instead of competition which could take place in the form of cross-generational working groups and teams aimed at sharing knowledge and cooperating in order to achieve the same corporate goals. These processes would create a more coordinated and friendly working environment, as well as would encourage respect and understanding between the representatives of each age group.

When analyzing the specific differences between generations and different approaches to managing them, it is crucial to identify the key characteristics of the younger generations currently participating or about to enter the workforce: millennials and generation Z.

Millennials overall can be characterized as more open-minded, sociable and achievement-oriented counterparts of their older predecessors, which can be explained by such factors as different socio-economic background and simply different time periods, during which they were born and raised³⁶. Besides, they are seen as more technologically savvy and often tend to demonstrate greater desire for continuous learning and development in their professional careers³⁷.

All of these characteristics have been shaped by the unique growing up process, characteristic of which was an increased amount of information, that was gradually released with development of new technologies such as internet. As a result, generation X's attitudes were formed by a certain set of messages, coming from their parents, society and media. First of all, inclusivity has become more of an important topic in the 90s and 2000s, which pushed millennials' thinking more towards open-mindedness and respect for races, religions and sexual orientations³⁸.

Another key message that was transferred to millennials' minds was the importance of being interdependent. That resulted in them being more connected with their friends, family and colleagues and development of internet technologies has only boosted that process³⁹. Besides, millennials' education which was more personality- and strength-based than that of the previous generations, has formed their higher expectations at the workplace and generally a greater need for feedback, responsibilities and career growth⁴⁰.

³⁶ Raines, C. (2002). Managing Millennials. *Connecting Generations: the Sourcebook by Claire Raines*.

³⁷ Guerin-Marion, C., Manion, I., & Parsons, H. (2017). Leading an intergenerational workforce: an integrative conceptual framework. *Journal of Public Leadership*, 48-58.

³⁸ Raines, C. (2002). Managing Millennials. *Connecting Generations: the Sourcebook by Claire Raines*.

³⁹ Ibid

⁴⁰ Guerin-Marion, C., Manion, I., & Parsons, H. (2017). Leading an intergenerational workforce: an integrative conceptual framework. *Journal of Public Leadership*, 48-58.

An important characteristic millennials are often sharing is their socially-oriented mindset. The feeling of responsibility for their local community and the greater society has been taught to them from the very childhood, therefore representatives of the generation Y are more prone to thinking about the benefits their work is producing for other people and the society as a whole⁴¹. This results in an increased popularity of activism and volunteering among younger generations.

When analyzing millennials' behavioral characteristics and their relation to the working dynamics, it is crucial to underline the specific learning styles peculiar to this specific generation. It has been proven by research that learning styles do differ among different age groups, therefore particular teaching tactics should be outlined in order to better understand how to train and teach young employees⁴².

It has been previously noted that millennials are the most technologically savvy generation compared to the previous ones: rapid development of technology has made them use new communication tools such as instant messaging, video calling and connecting to their friends and family online⁴³. Therefore, as a result of the high degree of millennials' technological literacy, the role of online learning has been growing since the early 2000s.

An important feature of Generation Y is their creative thinking and their willingness to freely and creatively express their views and thoughts during the learning process⁴⁴. Besides, millennials are thought to be team players to a great extent, meaning that collaborating with their peers, especially the ones from their age group, is something that they are highly willing to pursue to achieve their professional and educational goals.

Another key characteristic of millennials that should be taken into account is the fact that they prefer the so-called "informal learning" to traditional classrooms, meaning that studying at a place and time most convenient to them⁴⁵. It has also been proven that representatives of the generation Y are often demonstrating their preference for visual and kinesthetic learning styles, so information has to be provided to them in a more interactive, visually appealing way. This is often seen as the key reason

⁴¹ Raines, C. (2002). Managing Millennials. *Connecting Generations: the Sourcebook by Claire Raines*.

⁴² McGlynn, A. P. (2005). Teaching Millennials, Our Newest Cultural Cohort. *The Hispanic Outlook in Higher Education*, 12-16.

⁴³ Nicholas, A. (2008). Preferred Learning Methods of the Millennial Generation. *Digital Commons*.

⁴⁴ Ibid

⁴⁵ Rapp, Raymond; Matulich, Erika;. (2011). Negotiating the deal: using technology to reach the Millennials. *Journal of Behavioral Studies in Business*, 1-12.

why university staff often fails to uncover millennials' full learning potential: it is hard for them to perceive the long and monotonous lectures the college staff is used to delivering.

In order to facilitate millennials' learning process, several things can be done: first of all, it is crucial to use online sources and materials during the learning process; students prefer to have all their lecture materials to be available online, so that they can use them to learn at any place and any time⁴⁶. During the on-site learning or trainings, class time should be devoted to team tasks, student-to-student interaction as well as practical assignments. Simulations as a way of case study are another effective tool aimed at attracting millennials' attention and facilitating effective learning process: by the means of role-playing students are getting a more precise insight of the actions to be taken in specific working situations and develop skills essential for their specialty. It is also important to allow students to compete with each other by using games and competitions: that would make them more interested in the topic and would encourage to deliver greater results.

Overall, it is clear that millennials' learning needs do differ from those of the previous generations, and technology has played a major role in shaping them. To engage millennials in the learning process emphasis should be made on such measures as encouraging collaboration, interaction, networking and creative approach to studying.

When it comes to managing millennials as a particular age group, there are several key aspects that should be taken into consideration. First of all, due to the environment they grew up in, millennials generally like to be challenged and to constantly learn something new⁴⁷. This translates into their need to constantly learn and develop themselves, therefore it is crucial to assign them to demanding projects that would help them grow and achieve new heights.

It is also crucial to ensure that specific performance appraisal programmes are in place: millennials as an age group have demonstrated an increased need for recognition, therefore reviewing their performance and outlining the specific ways their work and their skills contribute to the corporate goals would keep them motivated⁴⁸.

Flexibility of the working schedule is another concept that's extremely important for young employees: millennials are considered to be the busiest generation to date and at the same time they put high priority on the activities they do outside of work⁴⁹. Therefore, employers should focus on

⁴⁶ Ibid

⁴⁷ Raines, C. (2002). Managing Millennials. *Connecting Generations: the Sourcebook by Claire Raines*.

⁴⁸ Stewart, J., Oliver, E. G., & Cravens, K. S. (2017). Managing millennials: Embracing generational differences. *Business Horizons*, 45-54.

⁴⁹ Raines, C. (2002). Managing Millennials. *Connecting Generations: the Sourcebook by Claire Raines*.

providing them with an opportunity to balance out their work and leisure by offering flexible schedules. That can be done by allowing employees to start their work later, for instance, or by giving them an opportunity to partially work from home. Besides, millennials prefer their working environments to be rather informal, therefore in order to encourage their productivity, managers should shape a more friendly and laid-back corporate culture. Generation Y highly values the work that is fun, therefore adding some humor and informality would better engage them with their working activities and their colleagues.

Part of creating a suitable working environment for young employees could be designing the corporate office in a special way that would foster communication, collaboration and exchange of ideas⁵⁰. An example of that could be setting up open-space offices or dedicating areas for networking and communication between the employees.

When it comes to assessing the differences of managing millennials and their older predecessors, it is essential to put the above-mentioned methods and tools into perspective with the traditional theories of management.

Traditional management theories are various; however, they can be divided into three major categories: scientific management school, classical organizational theory school and behavioral management school⁵¹.

Scientific management theory was first proposed by Frederick Taylor and has since been seen as one of the basics of management: he advocated for a clear division of tasks between management and their subordinates, as well as for the fact that complicated tasks should be split into several smaller ones in order to achieve greater labor productivity⁵². Taylor was famous for his stop-watch time studies, in which he tried to determine the most optimal way for workers to perform their tasks, thus increasing efficiency. Even though Taylor was often criticized for his neglecting approach towards workers' needs, his theory has been proven to increase productivity and efficiency by training employees to become professionals at the tasks they were performing on a daily basis.

The main contributors to the Classical Organizational Theory school were Henri Fayol with his administrative theory and Max Weber with his bureaucratic theory⁵³. Weber advocated for the

⁵⁰ Ibid

⁵¹ Olum, Y. (2004). 15th East African Central Banking Course. *Modern Management Theories and Practices*. Kampala: Makerere University .

⁵² Ibid

⁵³ Basharat, Z., Basharat, M., & Bashir, Z. (2012). Review of Classical Management Theories. *International Journal of Social Sciences and Education*, 512-522.

existence of clear rules, hierarchy of authority and specialized training. This theory was often criticized for its over-formality and lack of personal relations and human interaction between the management and workers, which could potentially hurt organizations in a long term⁵⁴.

Henry Fayol's theory mainly focuses on the needs and operations of management; in his theory he proposed six key functions of managers: to plan, to forecast, to organize, to command, to co-ordinate and to control⁵⁵. Even though Fayol's principles of management have proven their effectiveness and are still often used in modern enterprises and especially in the military, they can be seen as being too hierarchical and authoritarian, which makes them unsuitable for the leaderless or matrix-managed organizations of today.

Elton Mayo's behavioral school theory has opposed Taylor's theory of choosing a single best way of working and has confirmed that working environment and existence of human interactions between the management and employees do have a clear effect on productivity and efficiency⁵⁶. Mayo's theory has proven that expression of encouragement and gratitude from the management, as well as an emphasis on group work can significantly increase the workers' well-being and motivation to perform better.

While the first two management theories can be seen as quite conservative and applicable to older generations of workers and more traditionalist organizations, behavioral theory is the one that aligns the best with millennials' needs and approaches to work discussed above. Even though each of the theories contributes certain elements to our modern perception of management, it is crucial to understand that managing young employees requires a more delicate approach: rather than using classical management theories as a guidebook to managing the youth, management should stick to more contemporary and creative approaches. When dealing with millennials, satisfaction of their personal and professional needs is key, therefore managers should be constantly searching for new managerial approaches to keep them interested and motivated.

When it comes to managing generation Z, research on that matter is quite limited: the oldest representatives of this age group are only about to graduate and join the workforce, therefore it is not entirely clear how generation Z will behave at the workplace. However, a few trends in relation to their

⁵⁴ Olum, Y. (2004). 15th East African Central Banking Course. *Modern Management Theories and Practices*. Kampala: Makerere University .

⁵⁵ Basharat, Z., Basharat, M., & Bashir, Z. (2012). Review of Classical Management Theories. *International Journal of Social Sciences and Education*, 512-522.

⁵⁶ Olum, Y. (2004). 15th East African Central Banking Course. *Modern Management Theories and Practices*. Kampala: Makerere University .

attitudes can still be observed: representatives of Gen Z are considered to be even more socially aware than millennials: 60% of students aged from 14 to 18 have confirmed their desire for having a positive influence on the society and the world as a whole⁵⁷. Besides, it is clear that Gen Zs are even more technologically savvy and interconnected than millennials, which could potentially affect their future working styles and preferences: there might be even higher emphasis on remote work and using digital tools for daily working activities and communication.

Overall, it is seen that both millennials and the Gen Zs demonstrate some distinct differences from their older counterparts: they are more technologically savvy, more socially responsible and result oriented. Therefore, it is crucial to alter the universal motivational theories to taking their unique characteristics and needs into account: in order to better manage and motivate young employees, such effective tools as teamwork, greater workplace flexibility and greater involvement of technology in the day-to-day work should be used.

⁵⁷ Bursch, D., & Kelly, K. (2014). *Managing the Multigenerational Workplace*.

2. CONTINGENT EMPLOYMENT AS A GROWING GLOBAL TREND

As outlined in the previous chapters, contingent employment has seen a stable rise since the start of the millennium, therefore the focus of this chapter would be on analyzing statistical data in order to establish the clear trends in the modern contingent labor market as well as to identify prospects for its future growth within the EU and globally. Making conclusions about the international growth patterns of contingent employment would further allow to assess the role of the youth in it and would allow to conclude whether or not it would become a prominent type of employment for the young people in the years to come.

2.1. Growth and development of contingent employment across the EU and globally

When analyzing the overall trends that could characterize contingent employment's global development, it is crucial to distinguish between the different types of contingent work as such, as it is a broad phenomenon which can take place in several different forms. The two most wide-spread types of contingent employment are temporary employment and freelancing, therefore the statistical data regarding each of these sub-types will be analyzed separately to produce two separate sets of conclusions.

It is also crucial to analyze temporary employment and freelancing separately since it is likely for growth trends for each of these forms of contingent work to differ due to certain external factors, such as different government regulation, demand from the side of employers or contract providers, demographics and economic situation in the specific country.

Trends within temporary employment:

In 2019 the share of temporary workers within the EU accounted for 11.9% of the total employment, with the percentage fluctuating around the value of 11% for the past 14 years⁵⁸. For instance, in 2005 the share of temporarily employed workers was 11.6%, with a subsequent value of 11.9% in 2019, which therefore supports the assumption that temporary employment has not seen a significant growth pattern within the EU during the recent years. In fact, many countries have seen a sharp decline in temporary employment numbers after the recession of 2008-2009. One of the clear examples of this declining trend is Latvia, where in 2005 temporary employees accounted for 7.2% of the total employment, with the percentage gradually falling to 3.7% over the course of 14 years. A similar trend can be observed in Lithuania, as well as in such countries as Spain and Slovenia, whereas Estonia, for instance, has seen a stagnating trend with the share of temporary employees being 2.3% in 2005 and

⁵⁸ Eurostat. (2020, October 08). Temporary employees as percentage of the total number of employees .

2.4% in 2019. Some other countries, on the contrary, have seen quite a sharp rise in the percentage of temporary workers: a clear example of that is Portugal with 2.7% growth during the past 14 years as well as France with 2.8% growth respectively. Overall, the share of temporary employees in the labour force varies significantly between countries, with the highest currently being in Spain (21.9%) and the lowest in Lithuania (1.1%).

The figure below illustrates the 27 European Union countries and the share of temporary employees in each of them:

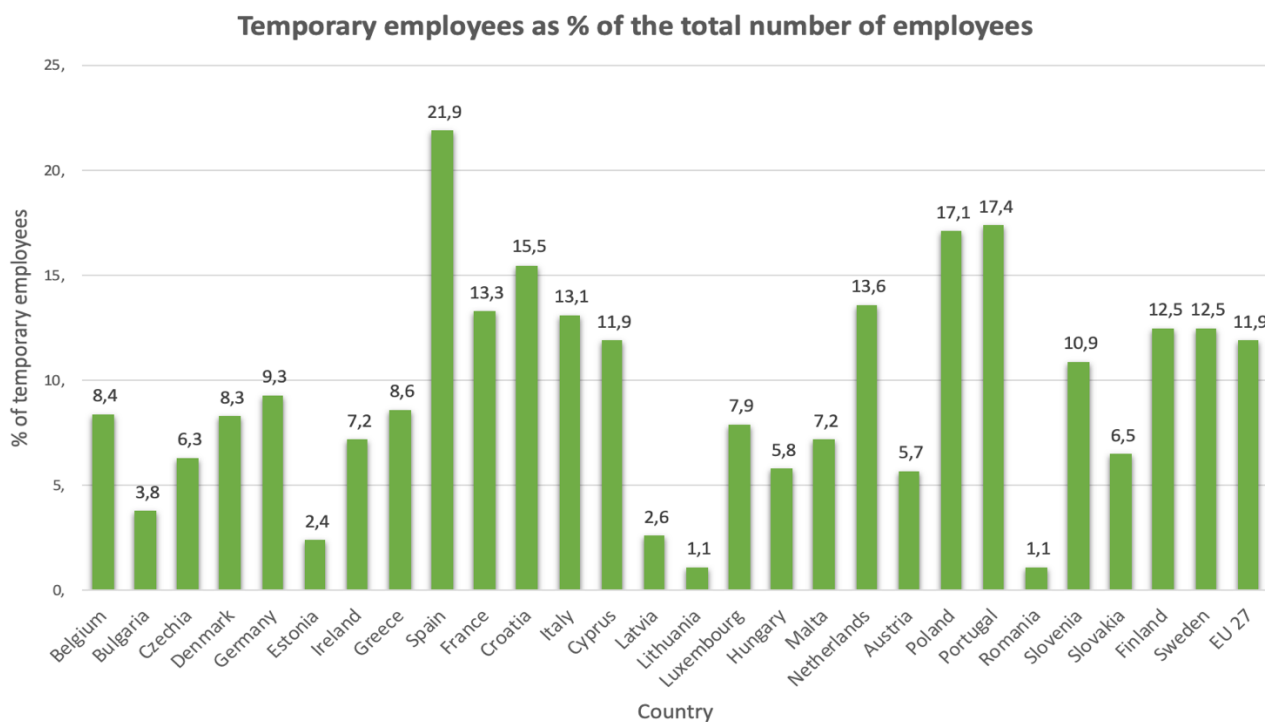


Figure 2.1. Temporary employees as % of the total number of employees in the EU in 2019 (Graph constructed by the author based on the data from Eurostat)

In order to better portray the growth patterns for temporary employment in each of the EU states, the following histogram was constructed:

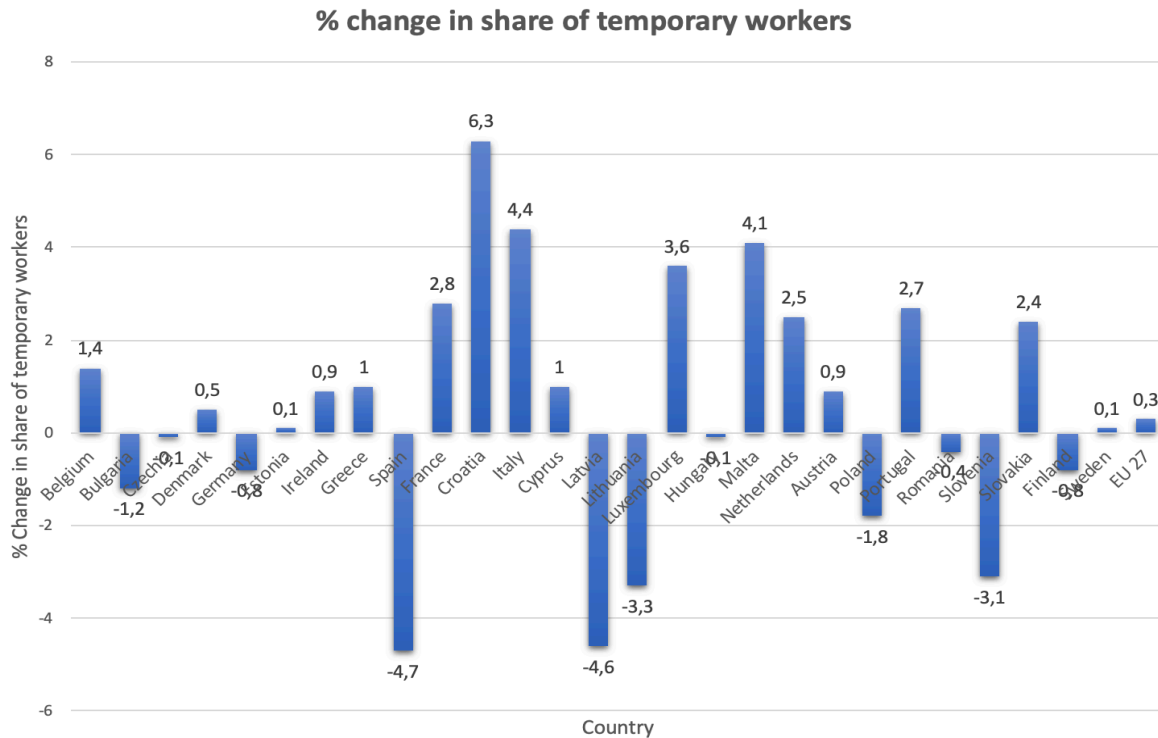


Figure 2.2. % Change in share of temporary employees in the EU in 2019 (Graph constructed by the author based on the data from Eurostat)

As illustrated on the figure above, each EU country has experienced different growth patterns with some of them facing decline in share of temporary workers with respect to the total labor force. The greatest increase is observed in Croatia, Italy and Malta, whereas the greatest decline is witnessed in Spain, Latvia and Lithuania.

In order to better understand the possible reasons for such differences in the share of temporary employment as well as its growth patterns in different countries, it is crucial to analyze the overall situation in the EU's labor market.

One of the main trends that could be observed is a constant decline of unemployment, which resulted in 6,8% unemployment rate in 2018, the lowest indicator since the global financial crisis of 2008⁵⁹. Youth unemployment has also continued to decrease due to stable economic growth and job creation, returning to the pre-crisis level of 15.2% across the European Union. However, post-crisis recovery has boosted job creation for highly skilled professionals specifically, leaving the low-skilled ones with more difficulty to find a job.

⁵⁹ European Commission . (2019). *Joint Employment Report 2019*. Brussels: Directorate-General for Employment, Social Affairs and Inclusion.

Member states have been also investing heavily in order to produce highly skilled specialists for the growing demands of the labor market, as well as to re-qualify the professionals whose skills became abundant as a result of economic recession⁶⁰. Besides, EU has continued to adhere to its long-term policy of improving government regulation for labor markets in order to better protect the workers and achieve better efficiency of the labor system.

Overall, the European labor market has seen a positive growth tendency, with total employment steadily growing over the course of recent years. This could partially be one of the reasons for the stagnation of the share of temporary workers in the economy: due to an overall rising employment, permanent and temporary employment have been growing proportionally, leading to the share of temporary workers remaining unchanged⁶¹. However, the share of voluntary and in-voluntary part-time workers has been steadily decreasing, which could overall suggest that full-time employment has become more available for those seeking for it, indicating the labor market recovery.

Even though it is clear that a rise in temporary employment is boosted by such factors as greater demand for flexibility and cost-saving from the side of the firms and employees (which is in turn driven by tougher competition on the market), the reasons for different percentages of temporary employment in each of the EU countries are more complex⁶².

Researchers argue that a reason for such a drastic difference between the EU states could lie in different levels of labor market duality in each of the countries⁶³. There is a hypothesis claiming that workers generally tend to transition from temporary employment to the permanent one, however, the speed of the transition, as well as the specific groups of employees affected by it, do differ from country to country. It is said that women and foreign-born workers are less likely to transition from fixed-term employment to the permanent one, thus being seen as the marginalized groups. This is where labor market duality comes into play: segmented labor market, or the one in which the workforce is divided into two main groups: primary labor (highly-skilled, well-paid, permanently employed individuals) and secondary labor (low-skilled, poorly paid and marginalized individuals). Those from the secondary labor group are usually temporarily employed and often find it hard to transition towards permanent employment due to such factors as sex, race, age and social background. Besides, government regulation is said to affect the labor market duality and as a result the share of the temporary employment as well: if the government is providing lower levels of protection for permanent

⁶⁰ Ibid

⁶¹ Ibid

⁶² Weel, B. t. (2018). The Rise of Temporary Work in Europe. *De Economist*, 397-401.

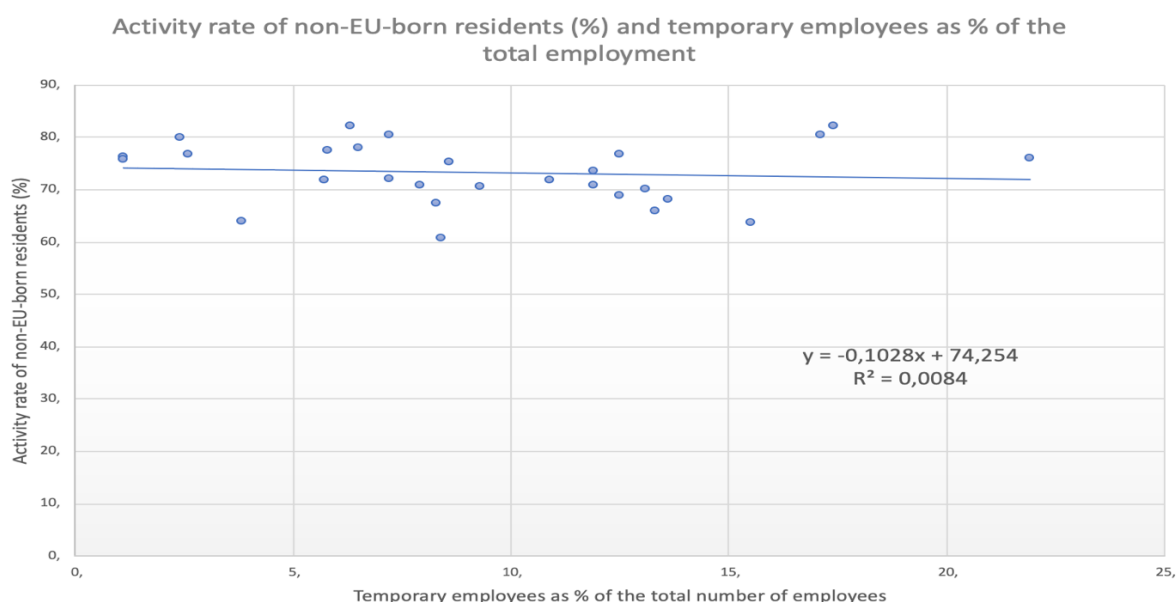
⁶³ Ibid

employment, then there is greater opportunity for the growth of temporary labor force, as well as improved labor market opportunities for the fixed-term employees.

Those in favor of the labor market duality theory are also stating that such countries as Spain, Italy and France have more segmented labor markets in comparison to Scandinavian countries, meaning that there are larger population groups that are being marginalized, which is in turn leading to greater popularity of temporary employment⁶⁴.

Labor market duality, as a concept, doesn't have specific units of measurement, therefore it would be complicated to establish a clear relationship or correlation between labor market segmentation and popularity of temporary employment. However, it is possible to analyze some of the components of the duality theory separately. Participation of foreign-born workers in the labor force, as mentioned above, could be one of the potential factors affecting the share of temporary employment. Therefore, such indicators as participation rates of foreign-born workers or the share of foreigners in the labor market could be compared to the share of temporary employees in order to try and establish a correlation between these two factors. Participation rate can be defined as a share of employed and unemployed nationals aged 15-64 and it is an important indicator used to assess the involvement of foreign-born residents in the overall labor force⁶⁵.

As a result, a scatter plot with a correlation trendline was constructed, including participation rates of foreign-born residents in the 27 EU countries, as well as temporary employment as a percentage share of the total employment, based on the data of 2019.



⁶⁴ Ibid

⁶⁵ OECD. (2020). *Foreign-born participation rates*. From data.oecd.org: <https://data.oecd.org/migration/foreign-born-participation-rates.htm>

Figure 2.3. Activity rate of foreign-born residents in EU in 2019 (Graph constructed by the author based on the data from Eurostat)

As illustrated on the graph, there is a very weak negative correlation between the participation rate of the foreign-born residents and the share of temporary employment within the total labor force, which is confirmed by a very shallow, almost horizontal negative trendline, and the Pearson's correlation coefficient of -0.188.

Participation rate can be seen as an indicator of the economic situation in the country and within the specific group of population, in this case foreign-born workers. Generally, when participation rate is rather low, that can indicate a recession in the economy and the fact that there are less jobs and employment opportunities in the market. If the participation rate value is high, it is a good sign of the economic growth which results in people being more encouraged to look for employment. In the case of the EU data set illustrated above, some countries, such as Spain and the Netherlands have relatively low participation rates, yet they show relatively high percentage shares of temporary employment. On the other hand, such countries as Estonia and Czech Republic showed high values of the foreigners' participation rate and at the same time rather low % shares of temporary employment, confirming the fact that large involvement of foreign-born population in the labor market has a very weak effect on the popularity of the temporary employment in the country.

On the other hand, however, in the search of the link between the amount of foreign population on the labor market and the share of temporary employment, it is worth looking at unemployment rates among foreign nationals with respect to the percentage share of temporary workers.

Therefore, a scatter plot with a correlation trendline was constructed, including unemployment rates of non-EU-born residents as well as percentage of the temporary employment in the economy of the 27 EU countries, based on the data of 2019.

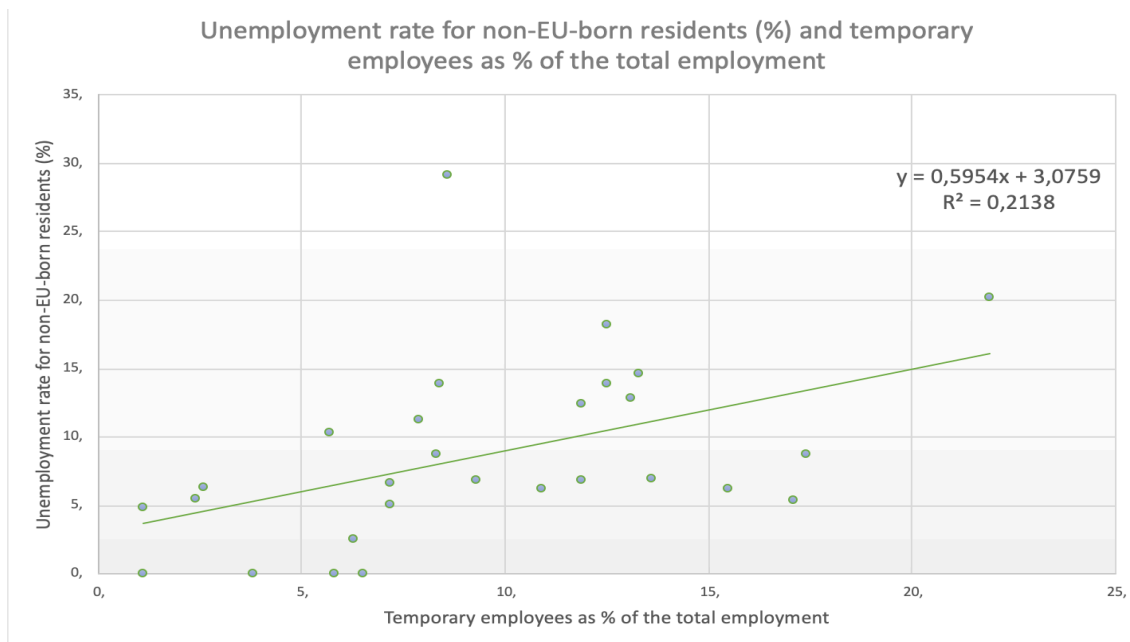


Figure 2.4. Unemployment rate for non-EU-born residents and temporary employees as % of the total employment in EU in 2019 (Graph constructed by the author based on the data from Eurostat)

As observed on the graph, there is a weak positive correlation between the unemployment rates and the popularity of temporary employment, which can be confirmed by a slightly steep correlation trendline and the correlation coefficient of 0.317. As a result, it can be concluded that unemployment rates for foreign-born national do have an effect, although quite weak, on the share of temporary employment.

In order to further study immigration as a factor affecting temporary employment, the overall share of non-EU-citizens was compared to the percentage share of temporary employment. As a result, a scatter plot with a correlation scatter plot with the above-mentioned indicators of the 27 EU countries as of 2019 was constructed.

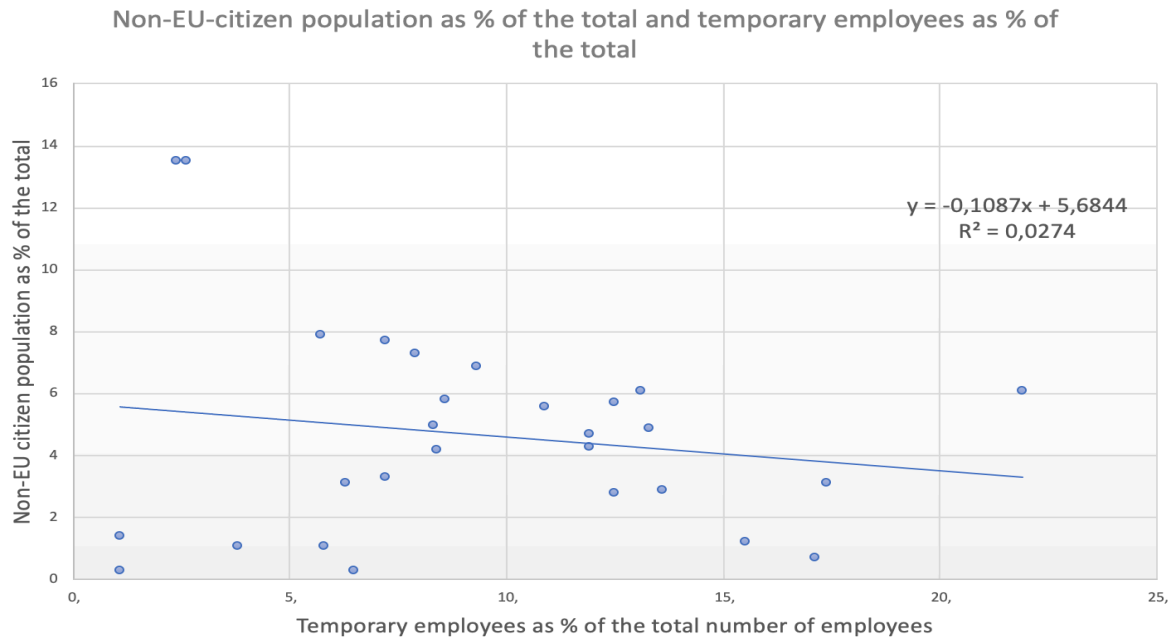


Figure 2.5. Non-EU-citizen population as % of the total and temporary employees as % of the total in EU in 2019(Graph constructed by the author based on the data from Eurostat)

As illustrated on the graph above, there is a very weak correlation between the share of non-EU nationals and the share of temporary employment within the economy, which is confirmed by correlation coefficient value of -0.165 and a shallow trendline.

Overall, from the data analysis conducted above it can be concluded that immigration, as a standalone factor does not affect temporary employment to a great extent. However, it is possible to consider it as an affecting factor in combination with some of the other elements of the labour market duality theory, one of them being the youth.

As mentioned before, young people are the driving force of temporary employment, therefore it is important to analyse this specific population group in order to assess the effects it has on temporary work.

Youth unemployment was used as an indicator for assessing the current situation with the youth in the 27 members of the European Union and in order to establish a correlation with the popularity of temporary employment, a scatter plot with the variables of youth unemployment rate and percentage share of temporary workers in 2019 was constructed.



Figure 2.6. Youth unemployment rate and temporary employees as % of the total employment in EU in 2019(Graph constructed by the author based on the data from Eurostat)

As illustrated on the graph, there is a moderate positive correlation between youth unemployment and the share of temporary workers in the economy, which can be concluded from the correlation coefficient value of 0.416 and a slightly steep upwards facing trendline. Therefore, it can be assumed that youth unemployment is a strong enough standalone factor which could potentially affect the differences in temporary employment popularity between the EU countries however, it should still be viewed in combination with other possible factors.

Finally, it is crucial to analyze the overall economic climate and the degree of economic advancement of each of the countries as a factor that could potentially affect temporary employment. Therefore, real GDP per capita was chosen as a variable to juxtaposition with the share of temporary employees in the labor force. A scatter plot with a correlation trendline, including these two variables, was constructed in order to establish a potential correlation between them.

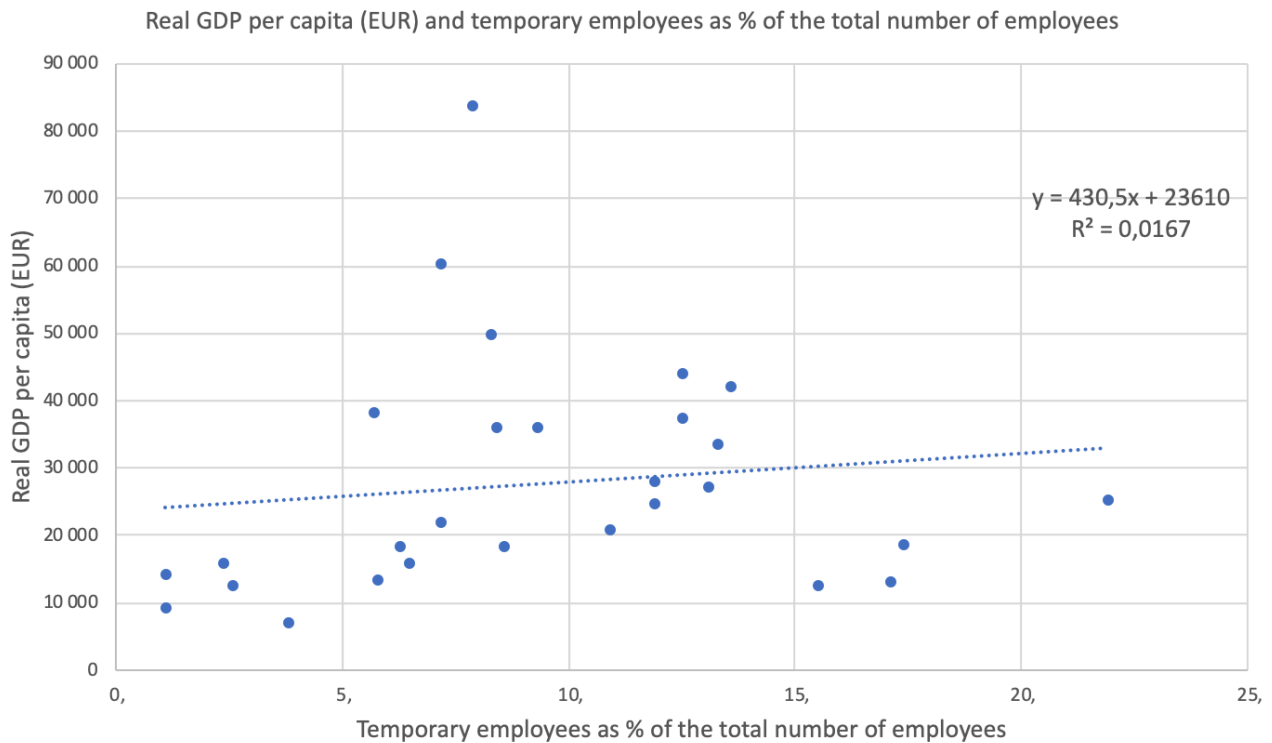


Figure 2.7. Real GDP per capita (EUR) and temporary employees as % of the total number of employees in EU in 2019 (Graph constructed by the author based on the data from Eurostat)

As seen from the graph, there is a very weak positive correlation between the real GDP per capita and the share of temporary employees and the economy (correlation coefficient value of 0.129 and a shallow trendline). Therefore, it can be assumed that the fact that some European countries have more advanced economies and theoretically better standards of living doesn't affect the popularity of temporary employment to a great extent.

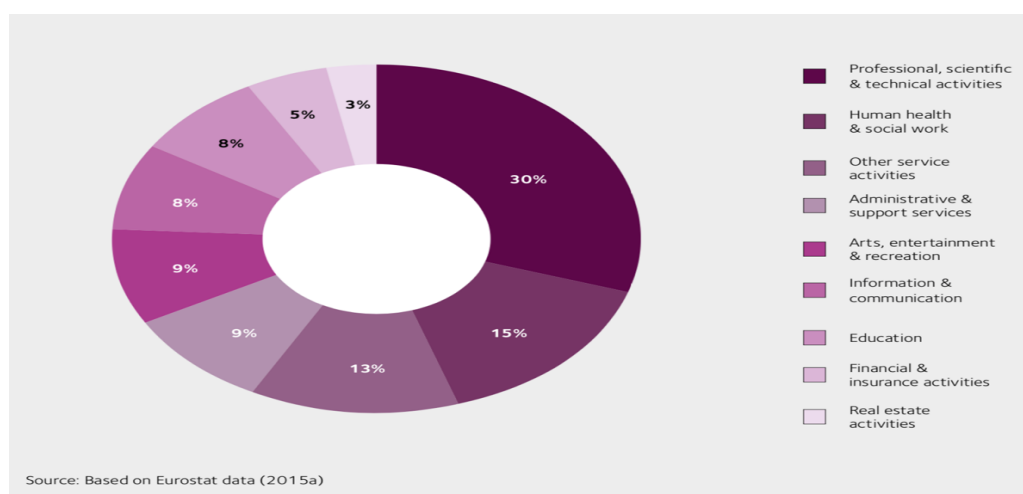
Overall, from the data analysis conducted above it can be concluded that temporary employment is a complex concept and there is no single factor that has a substantial effect on it, leading to significant differences in shares of temporary workers in different countries of the European Union. The reasons for differences in temporary employment within the European countries should, in contrary, be discussed in conjunction, with each of them contributing a small share to the problem of temporary employment. The labour market duality principle should also be taken into account in order to better understand the trends in temporary employment, including the analysis of such groups of population as foreigners and the youth, which have shown to have a small effect on the percentage of temporary workers in respect to the total labour force.

Trends within freelancing:

Another important sub-type of contingent work is freelancing, which is a broad category of self-employed professionals usually contracted by employers on a by-task basis. It is crucial to distinguish

freelancers from the entire group of self-employed, or rather to define them as a sub-group, since not all the self-employed are freelancers. For instance, a self-employed person, apart from being a freelancer, can also be an independent coffee-shop owner or a self-employed hairdresser, while freelancers tend to work in IT, creative and service sectors and are usually fulfilling specific tasks or contracts for the companies in need, without forming an employment relationship.

Freelancers are the most under-researched group of the workforce, since the data on their current population within the EU is rather limited and it often differs from country to country due to differences in definition of a freelancer as such. It is, however, clear that freelancers are one of the fastest-growing groups of workers, with the growth amounting to more than 99% from 2000 to 2015⁶⁶. In 2015 freelancers constituted more than 29% of all self-employed workers within the EU, or 9.6 million independent professionals. Freelancers are often attracted to the scientific and IT sectors, which results in these two sectors representing over 30% of freelancers, being the most demanded professional paths among the independent professionals. Other sectors often represented by freelancers are health and social work, education and administrative services. However, when it comes to the percentage of freelancers from the total employment within the specific sectors, professional, technical and scientific activities as well as art and entertainment are leading the way, with freelancing constituting 25% and 22% of the total employment within these two sectors respectively⁶⁷. The growth pattern of freelancers within professional sectors is evident too: in ICT, for instance, freelancers contributed more than half of the employment growth. The graphs below illustrate the professional sector distribution among freelancers in 2015 and their share of the total sector employment in 2013 respectively:



⁶⁶ Nye, L., & Jenkins, K. (2016). *Understanding Independent Professionals in the EU, 2015*. London: The Association of Independent Professionals and the Self Employed.

⁶⁷ Leighton, P. (2014). *Future Working: The Rise of Europe's Independent Professionals*. London: European Forum of Independent Professionals.

Figure 2.8. Sector distribution of independent professionals in EU-28 in 2015 (The Association of Independent Professionals and Self-Employed)

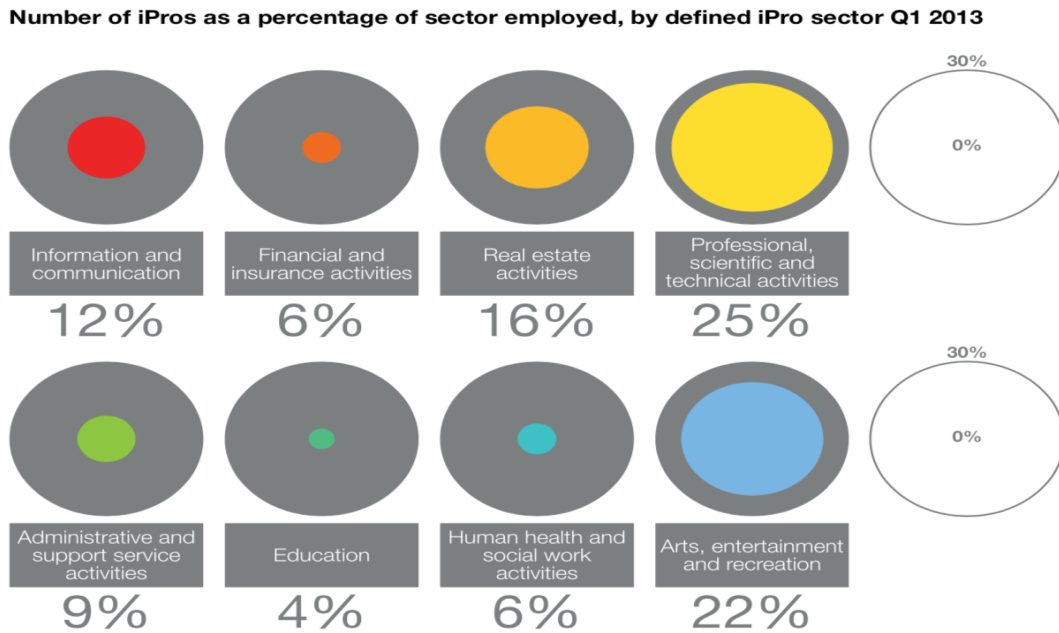


Figure 2.9. Number of Independent Professionals as a percentage of sector employed in Q1 2013 in EU27 (European Forum of Independent Professionals)

Similarly to temporary workers, independent professionals are a very young demographic, with more than 60% of them being aged between 25 and 49⁶⁸. Besides, most freelancers tend to be well educated and highly skilled, with more than 57% of them being highly skilled and only 9% demonstrating low levels of education. This can be partially explained by the sectors freelancers are operating in: employees working in service and IT sectors generally tend to be better-skilled than the ones operating in other sectors of the economy. Another particular characteristic of freelancers is their working time preferences: they generally tend to work less than the permanent employees. In fact, more than 31% of independent professionals work part-time, compared to the average of 20% among the entire European Union workforce.

There is a clear geographical divide between the EU countries in terms of their share of freelancers: in France, for instance, independent professionals only make up 9% of the total freelance workforce of the EU, whereas in Italy, with smaller population, this figure amounted to 18% in 2015⁶⁹. In fact, the independent professionals working in Italy, Germany and the UK make up more than a half of Europe's freelancer workforce.

⁶⁸ ⁶⁸ Nye, L., & Jenkins, K. (2016). *Understanding Independent Professionals in the EU, 2015*. London: The Association of Independent Professionals and the Self Employed.

⁶⁹ Ibid

Some countries, however, have seen faster growth of freelance employment than the others: Latvia is considered to be the absolute leader with the growth of more than 192% over the time period from 2008 to 2015⁷⁰. Germany and Italy, being the countries with the largest share of independent professionals, have observed the opposite trend: the growth of freelance employment accounted for only 3% and 1% in each of the countries respectively. Such countries as France and Netherlands, however, have seen a considerable growth of freelance employment, with the growth rates of 70% and 52% respectively.

However, despite the significant increase in the number of freelancers over the past years, the share it constitutes from the total employment is still relatively small: across the 28 EU countries in 2015, the share of freelancers was only 4%, even though the overall share of self-employed is slightly higher: 14%⁷¹. Although the percentage of freelancers among the EU states does differ, the differences are not very significant, with freelancers making up 6% of the total workforce in the countries like the Netherlands and the UK and only 3% in the countries like Germany and France.

The graph below illustrates the employment type distribution, including the percentage of freelancers, in the selected European countries in 2015:

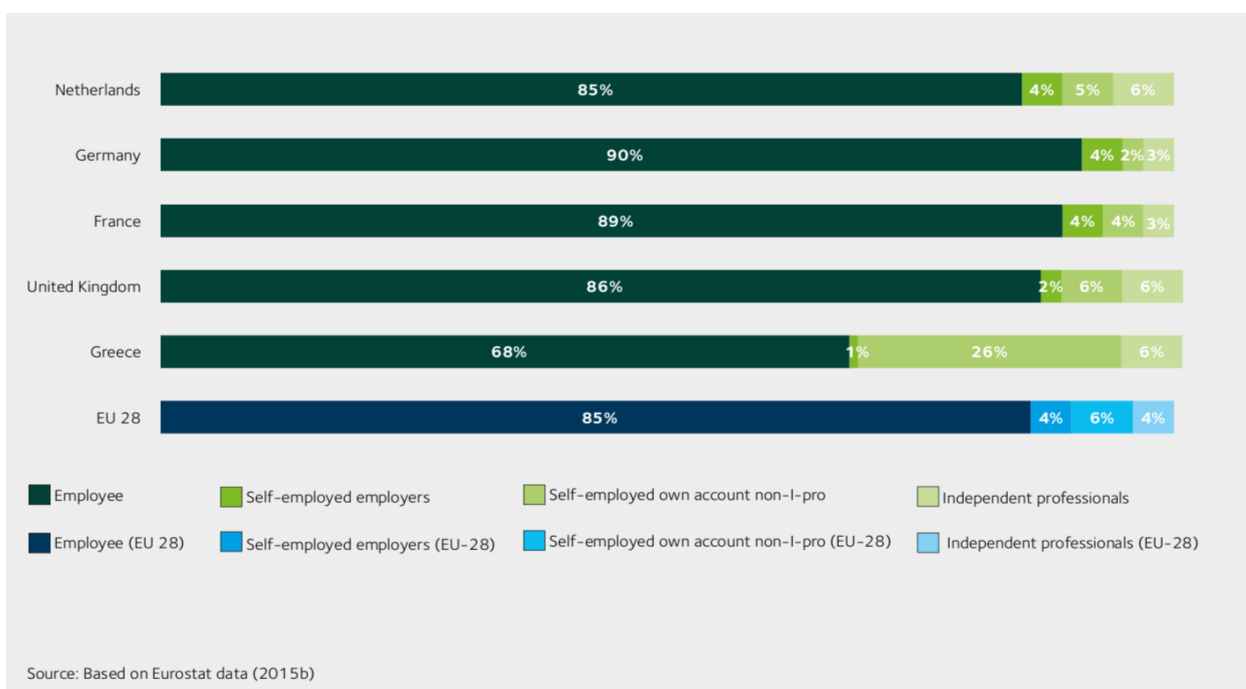


Figure 2.10. Independent professionals as a proportion of the total workforce in EU-28 in 2015 (*The Association of Independent Professionals and Self-Employed*)

There are various factors that could potentially affect the share of independent professionals in different European countries, with one of them being the size of certain industries freelancers are

⁷⁰ Ibid

⁷¹ Ibid

usually attracted to. For instance, countries with large IT and service sectors tend to have higher shares of freelance employees as a total of the workforce as well as a total of the self-employed⁷². Previous research has claimed, however, that the size of the self-employed workforce, doesn't always correlate with the share of freelance workers, with countries like the Netherlands showing strong correlation (high share of self-employed and high-share of independent professionals) and countries like Greece demonstrating quite the opposite trend (high share of self-employed and low share of independent professionals).

Another important difference between the EU countries in terms of freelance employment is differences in its growth rates. As mentioned above, some countries demonstrated faster growth than the others, which can be explained by a specific set of factors, one of them being the initial proportion of independent professionals. For instance, Latvia has demonstrated such a remarkable growth of 192% partially due to the fact that at the start of the reporting period, in 2008, the share of freelance employees was very low, after which it started growing subsequently along with the country's economic growth⁷³.

However, one of the most significant driving forces of the growth of independent professionals in different European countries is demographics. One of the crucial demographic factors is the growing contribution from female workers, which came along with a general increase in participation of females in the total workforce⁷⁴. In 2015 females constituted 47% of the total independent professionals' workforce, and since 2008 the proportion of female freelancers has been subsequently growing, with a subsequent decline in proportion of males. This has been in part driven by a rapid growth of the number of female freelancers in most sectors, including real estate (61%), science (35%) and healthcare (36%). One of the reasons for faster growth of female freelancers in comparison to males is the fact that freelancing often provides the needed flexibility for the women with children, thus enabling them to work from home and to stay professionally active, resulting in freelance employment being the most preferable employment option for them.

The proportional rise of older workers has also contributed its share to the growth of freelance: the share of independent professionals over the age of 75 has grown by more than 80% between 2008 and 2015, thus becoming the fastest-growing age group in the freelance employment⁷⁵. The graph below illustrates the employment type growth in the EU-28 by age group and sector:

⁷² Ibid

⁷³ Ibid

⁷⁴ Ibid

⁷⁵ Ibid

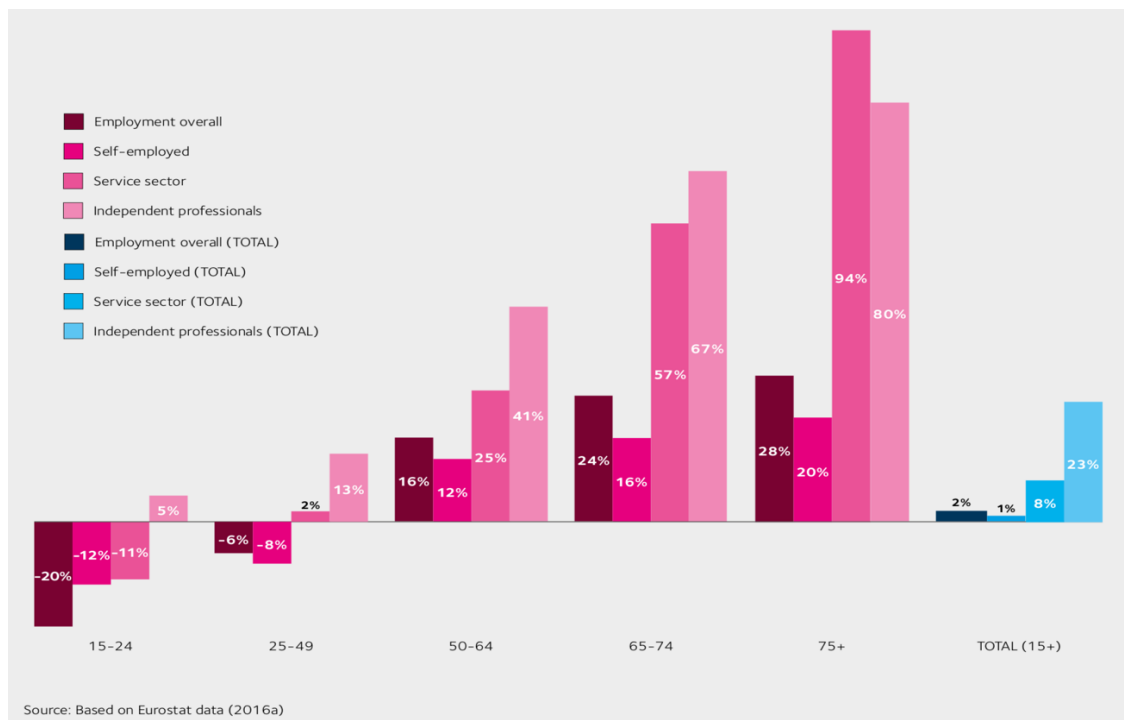


Figure 2.11. Employment type growth by age group and sector in the EU-28 in 2015 (The Association of Independent Professionals and Self-Employed)

When discussing the overall trends that could be attributed to freelancing globally, it is crucial to assess the current growth of freelancing in the United States, where freelancing is substantially more widespread than in the EU. In fact, the share of employees who are engaged in freelancing in the US is 35%, compared to only 4% in the European Union⁷⁶. However, such a drastic difference could potentially be explained by the ambiguity of the definition of a freelancer itself: Upwork and Freelancers Union have used a broad definition of freelancers in their research of the US labour force, which included those “engaged in supplemental, temporary, project- and contract-based activities”. The studied literature regarding freelancers in the EU, on the contrary, has used a very narrow definition of freelancers, that is, own-account self-employed professionals. Therefore, the figure of 35% the American research is referring to should be rather interpreted as an umbrella term for all contingent workers, with the actual share of freelancers in particular potentially being much lower. As a result, the trends taking place in the US should be studied separately from those taking place in the EU due to the differences in interpretation of freelancing and contingent employment overall.

Freelancing in the United States has seen substantial growth during the past 5 years, resulting in 7.5% increase of the share of freelancers as part of the total workforce from 2014 to 2019⁷⁷. The key

⁷⁶ Ozimek, A. (2019). *Freelancing and the Economy in 2019*. Santa Clara: Upwork.

⁷⁷ Ibid

characteristic of freelancers in the US is their young age, with more than 53% of people 18-22 being engaged in freelance employment, with the number of freelancers gradually decreasing across the older generations.

In the United States some professional sectors are demonstrating significantly higher proportions of freelance workers than the others. An example of that could be Arts, Entertainment and construction, where freelancers make up 75%, 55% and 52% of the total employment respectively. The graph below illustrates the proportions of freelance workers across different professional sectors in the US⁷⁸:

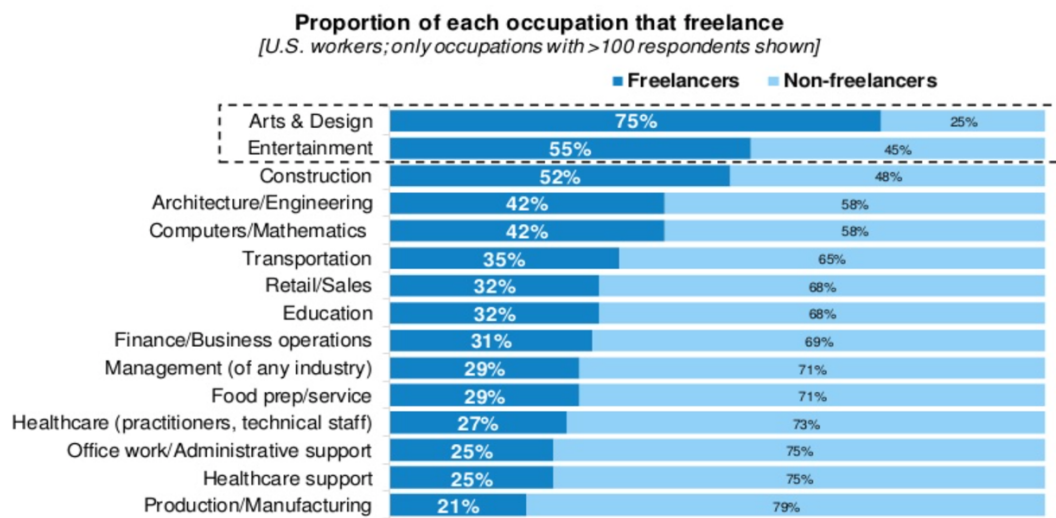


Figure 2.12. Proportion of each occupation that freelance in the United States in 2019 (Upwork, Freelancers Union)

Overall, it is clear that in the United States contingent employment and freelancing in particular are showing a positive growth dynamic, with more and more participants of the workforce, and especially the ones from younger age groups, choosing to engage in it.

When it comes to the situation within the EU, independent professionals have demonstrated a strong and sustainable growth trend, with different European countries growing at a different pace but demonstrating similar trends: changes in demographics as well as growth of specific professional sectors, such as IT and services. As a result of these changes, the level of education and skills of independent professionals kept rising and this positive trend is expected to continue over the coming years. Besides, it is clear that there is a cultural shift in the society, which lead to employees of all ages and genders preferring greater flexibility and autonomy in their professional career, thus boosting the growth of both temporary and freelance employment.

⁷⁸ Ibid

2.2. Involvement of the youth in contingent workforce

This sub-chapter is aimed at analysing the role of the youth in contingent employment in the EU and assessing the key trends that could affect young people working in contingent employment settings. Therefore, similarly to the previous sub-chapter, temporary employment and freelancing have been chosen as the two main forms of contingent employment to analyse. As a result, these two formulations were used interchangeably in the following statistical data analysis.

As already mentioned above, young people are the largest demographic group within contingent employment, and in fact, they are its main driving force. However, in order to better understand the key determining factors for them to join contingent workforce, it is crucial to discuss the concept of precarious employment.

This type of employment is often seen as a synonym for contingent employment; however, it is crucial to outline several specific differences between the two: precarious employment is primarily characterised as a type of employment with low wages, low social security and overall high instability⁷⁹. However, contingent employment is not always poorly paid or socially insecure, but it does indeed represent a certain proportion of young workers (the most vulnerable to precarious work group of population) voluntary or involuntary participating in contingent employment and receiving low incomes.

In many cases poorly paid contingent work is seen as a transit step for young people and university graduates before settling for permanent long-term employment, which can be driven by many factors, such as low availability of permanent position along with high availability of temporary positions on the labour market, significant market deregulation in some of the European states, as well as lack of professional experience and high competition on the labour market⁸⁰. Others are forced to join contingent employment due to their low-income financial and social backgrounds, which in turn leads to this type of young people being “trapped” in precarious employment positions. For the first group of the youth described above, there are still certain future employment prospects that could help them to acquire more secure and better paid positions, which is often a result of further education and qualification improvement. The second group, or in other words those young people coming from low-to-middle income backgrounds, emigration is often seen as one of the few possibilities to escape from the precarious employment trap.

⁷⁹ Carmo, R., Cantante, F., & Alves, N. (2014). Time projections: Youth and precarious employment. *Time & Society*, 337-357.

⁸⁰ Ibid

This situation can be further analysed on the example of Italy: the country has seen a strong growth of contingent labour force among younger demographic (32% increase between 1995 and 2011) with more than 75% of young people beginning their professional careers on temporary positions⁸¹. However, it is said that less than just 7% of such temporary workers make a transition towards permanent employment, indicating the fact that contingent work is in most cases is not a temporary option but rather a permanent choice, both voluntary and involuntary. It is also worth mentioning that for contingent workers and the young people in particular, the risks connected with workplace safety tend to be higher than those for the permanent employees: contingent employees do tend to demonstrate lower levels of safety-awareness and tend to stick to riskier behaviours in terms of their workplace safety. Besides, they are more prone to over-working due to high demand for their services which, however, does not significantly affect their commitment and job satisfaction due to a different set of expectations.

When further analysing the transition patterns of young contingent workers, it is crucial to consider the overall social “stigma” of contingent work, which is often likely to negatively affect freelancers’ future career prospects⁸². It is said that in many cultures contingent workers are being stigmatized as less qualified and potential employers often underestimate their professional skills, which can potentially lead to difficulties in acquiring a permanent and a better paid position in the future. However, the effects of contingent employment on career prospects of recent graduates and the youth overall should be analysed from the perspective of both the short run and the long run. Previous research has concluded that in the short run (time period of up to 10 years after graduation) contingent employment can indeed have a limiting effect on the prospects of young people transitioning to a permanent position. In the long run (more than 20 years after graduation), however, this negative effect tends to fade, with the probability of contingent workers acquiring a permanent position being the same as of those initially unemployed or employed at a permanent position. This further confirms the fact that that contingent employment, contrary to the popular belief, is not a transition stage before permanent employment and at the same time it is not always a major obstacle for getting a regular job in the long run.

⁸¹ Probst, T., Petitta, L., Barbaranelli, C., & Lavaysse, L. M. (2018). Moderating effects of contingent work on the relationship between job insecurity and employee safety. *Safety Science* 106, 285-293.

⁸² Esteban-Pretel, J., Nakajima, R., & Tanaka, R. (2011). Are contingent jobs dead ends or stepping stones to regular jobs? Evidence from structural estimation. *Labour Economics* 18, 513-526.

It is, however, crucial to mention that those employed at contingent jobs right after graduation do tend to have lower incomes than those employed at regular positions, which results in their welfare being 6.4% lower than that of the permanently employed⁸³. Besides, there is a certain connection between the youth choosing contingent employment and their education level: university and college graduates tend to choose contingent employment less often than those with only pre-existing secondary education.

It is also crucial to analyse the differences in proportion of contingent workers among the younger population within the EU. The figure below illustrates the 27 EU countries and the % share of self-employed independent professionals aged 15-24 within them:

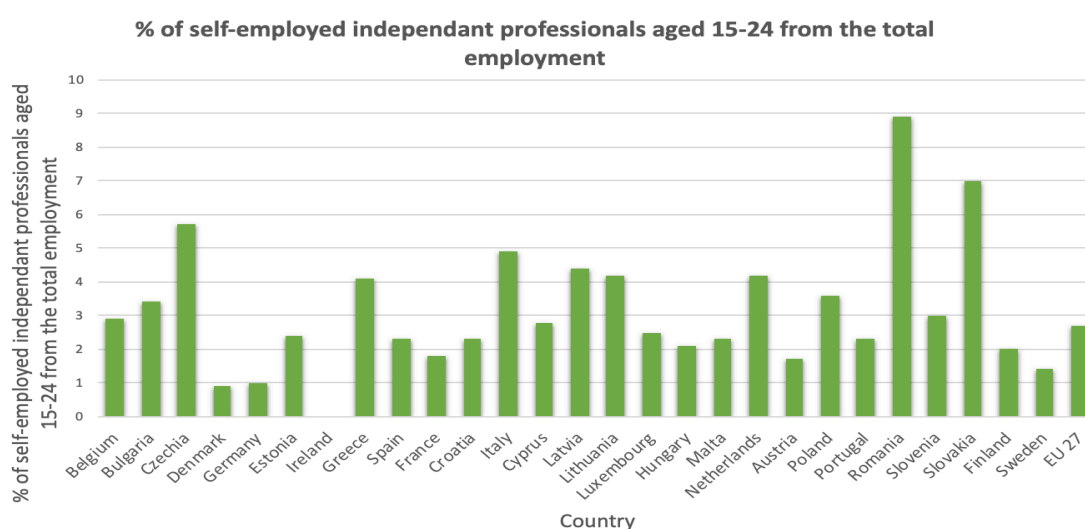


Figure 2.13. % of self-employed independent professionals aged 15-24 from the total employment in the EU as of 2019 (Graph constructed by the author based on the data from Eurostat)

As seen on the graph, there are significant differences in the proportion of young independent professionals in each of the EU countries, with such countries as Romania and Slovakia demonstrating rather high percentages (8.9% and 7% respectively)⁸⁴. On the other hand, however, such countries as Denmark and Germany have subsequently demonstrated rather low shares of freelance employment within the young demographic group, with 0.9% and 1% from the total active population respectively.

The graph below demonstrates the differences among EU states in terms of the shares of young participants of the other type of contingent employment- temporary employment:

⁸³ Ibid

⁸⁴ Eurostat. (2020, October 21). Self-employed by sex, age and occupation (1 000).

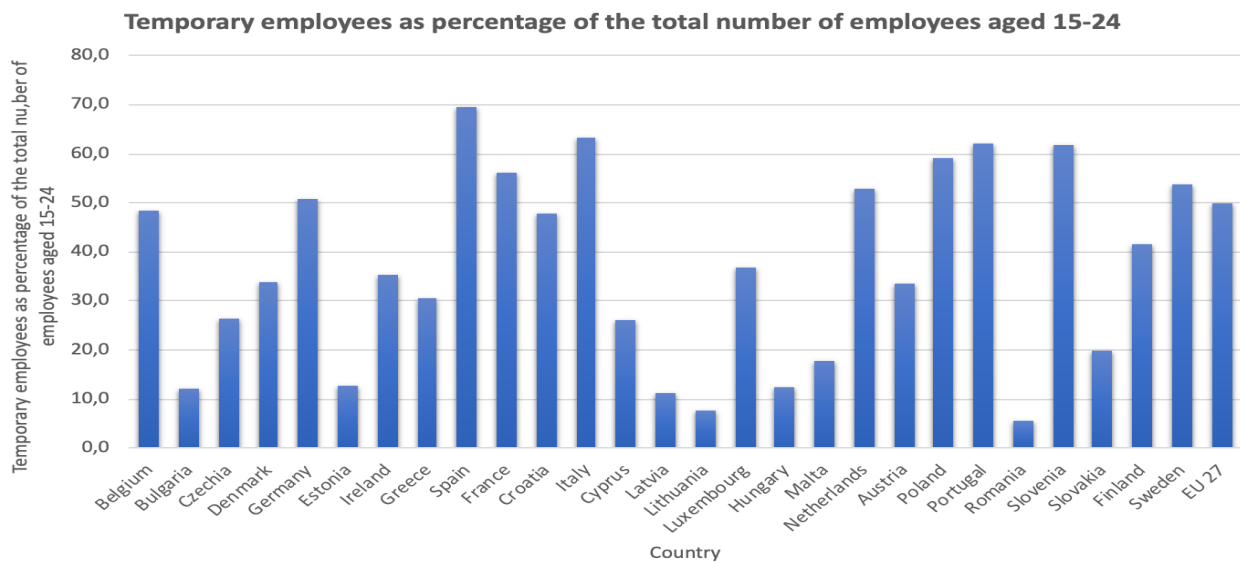


Figure 2.14. Temporary employees as percentage of the total number of employees aged 15-24 in the EU as of 2019 (Graph constructed by the author based on the data from Eurostat)

As illustrated on the graph, differences between countries in terms of young temporary workers persist, however, the results look quite different from the ones concerning the self-employed independent professionals. Germany, which has previously demonstrated rather low percentage of freelancers among the youth is now showing a substantially higher share of young temporary workers (50.9%), while Romania with a previously high percentage of young freelancers is showing the lowest share of young temporary workers in the EU (5.6%)⁸⁵.

In order to try and establish possible reasons for differences between different countries, correlation analysis with several sets of variables was conducted. First of all, it was crucial to see if popularity among the youth can potentially be affected by their personal financial situation and the average wage within the country. Therefore, a scatter plot with a correlation trendline was constructed, using such variables as the % of self-employed independent professionals from the total employment and the mean equivalized net income for those aged 16-25 years in Euro.

⁸⁵ Eurostat. (2020, October 22). Temporary employees as a percentage of the total number of employees, by sex and age (%).

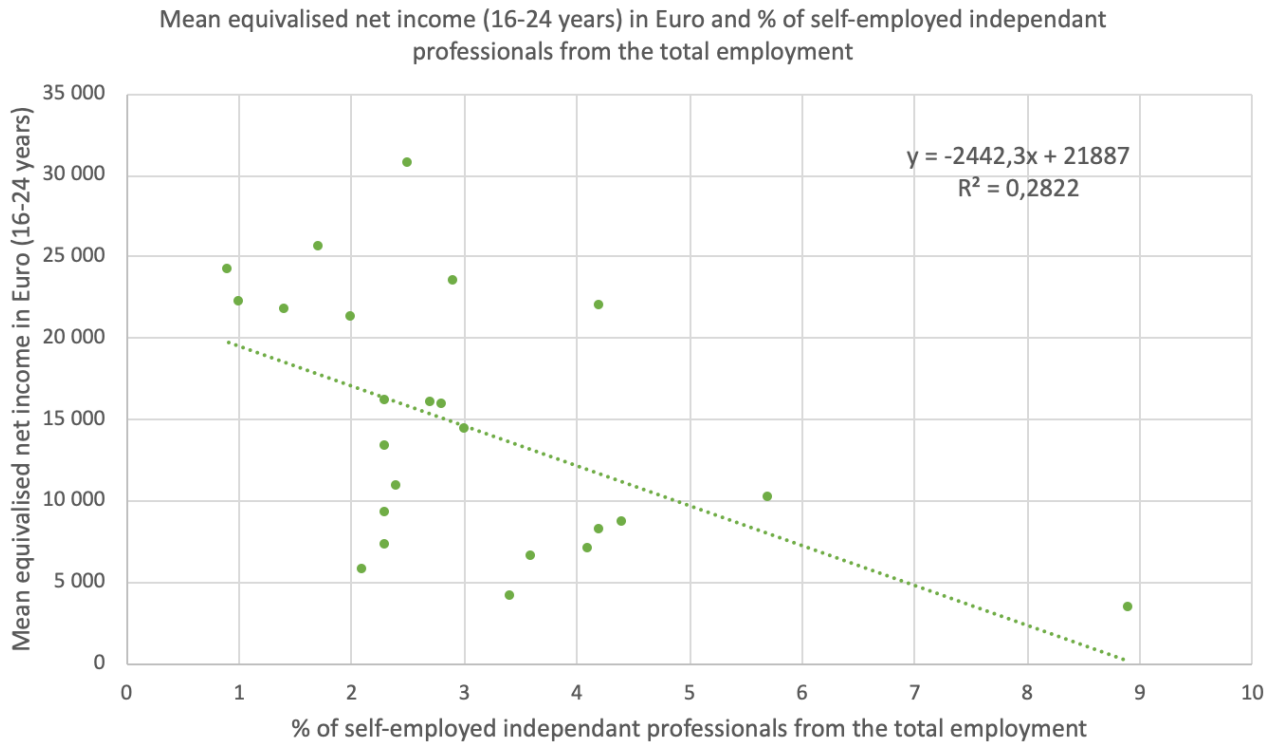


Figure 2.15. Mean equivalized net income (16-24 years) in Euro and % of self-employed independent professionals from the total employment (15-24 years) in the EU in 2019 (Graph constructed by the author based on the data from Eurostat)

As illustrated on the graph above, there is a moderate negative correlation between the percentage of independent professionals and the mean income within the young demographic group, which is confirmed by a moderately steep negative trendline and the correlation coefficient of -0.531. This confirms the fact that that mean income in the member states do have an effect on the popularity of freelancing. In fact, the moderate negative correlation described above suggest that there is indeed a possibility that with the rise of mean incomes, share of independent professionals in the country would decline. This can be illustrated on the example of Germany, a country with high mean equivalized income among the youth (22 082 EUR) but low share of self-employed independent professionals (1%). At the same time, Romania has previously demonstrated a high share of freelancers (8.9%), although demonstrating low mean income for the age group of 16 to 25 years (3 341 EUR). There are, however, such exceptions as Luxembourg, a country with high mean incomes among the youth and at the same time a relatively high proportion of independent professionals.

Negative correlation can also be interpreted from the opposite perspective: with declining share of independent professionals, mean incomes would potentially be rising. This could potentially be explained by the fact that freelancing and contingent work overall does tend to be more poorly paid and more insecure than regular employment, which results in overall lower incomes for the young

demographic group. On the other hand, however, high shares of freelancers in low-income countries like Romania or Latvia could potentially be explained by poor labor market conditions for the youth and low average wages in regular positions, forcing them to go for less traditional forms of employment such as contingent work.

A similar situation can be observed with the other type of contingent work- temporary employment. In order to better understand the connection between the incomes of the youth and popularity of temporary employment, a scatter plot with a correlation trendline was constructed, including such indicators as mean equivalized net income and temporary employees as percentage of total number of employees in 2019.



Figure 2.16. Mean equivalized net income and temporary employees as a percentage of total number of employees in 2019 in the EU (Graph constructed by the author based on the data from Eurostat)

As illustrated on the graph above, there is a weak positive correlation between the mean equivalized net income and the share of temporary workers among the youth, which is confirmed by a slightly steep positive trendline and the Pearson’s correlation coefficient of 0.367. Therefore, there is a slight tendency for the number of temporary workers to increase along with a rise in mean wages and vice versa. However, correlation was found to be weaker than the one in the case of freelancers, therefore the possible effect of mean wages on temporary workers is lower.

It has been previously mentioned that service industry is one of the driving forces of contingent employment globally, since it is the key area where independent professionals tend to operate. Besides, it is clear that in the age of rapidly developing technologies, young people are generally more attracted towards employment in services rather than agriculture or manufacturing (Eurostat, 2020). It has been

previously concluded by research that the bigger the country's service sector, the bigger the share of independent professionals within the total active population. However, it is crucial to analyze whether this rule applies to the young people specifically, therefore a scatter plot with a correlation trendline was constructed in order to study potential connections between the size of the service sector and the involvement of the youth in contingent employment. Such variables as turnover in services and temporary employees as a percentage of the total number of employees in 2019 were used.

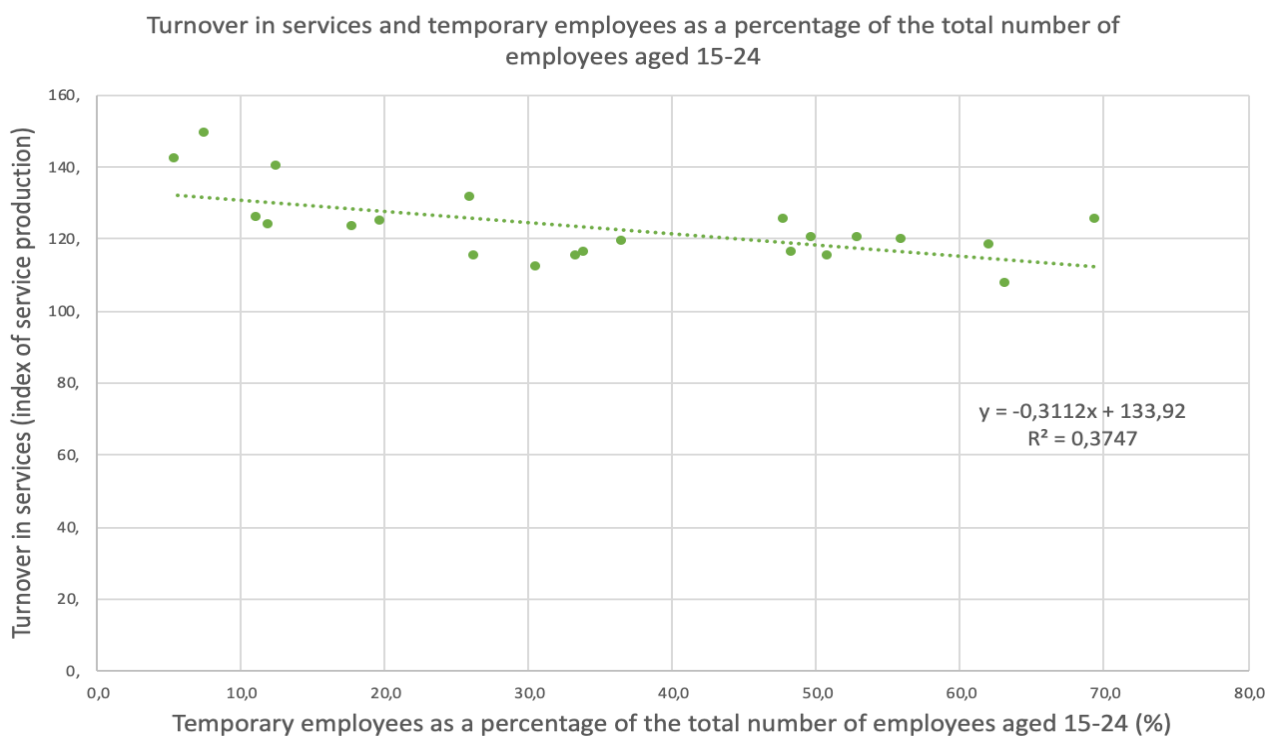


Figure 2.17. Turnover in services and temporary employees as a percentage of the total number of employees aged 15-24 in the EU as of 2019 (Graph constructed by the author based on the data from Eurostat)

As illustrated on the graph above, there is a strong negative correlation between the turnover in services and the percentage of temporary employees in each of the EU states, which is confirmed by a slightly steep negative trendline and correlation coefficient of -0.612. This confirms the fact that the size of the service sector does indeed have an effect on the tendency of young people to pursue contingent work in the form of temporary employment and the relationship between these two factors can be characterized as quite strong.

It is also crucial to assess the effect the size of service industry has on the popularity of freelancing among the youth too, therefore a scatter plot with a correlation trendline was constructed, using such variables as the turnover in services and % of self-employed independent professionals from the total employment (aged 15-24).



Figure 2.18. Turnover in services and % of self-employed independent professionals from the total population aged 15-24 in the EU in 2019 (Graph constructed by the author based on the data from Eurostat)

As portrayed on the graph above, there is a weak positive correlation between the size of the service sector and the popularity of freelance employment among the youth, which is confirmed by a rather shallow upward facing trendline and the Pearson's correlation coefficient value of -0.308. This suggests the fact that the effect the size of the service industry has on freelance employment among young people is rather weak, especially compared to the one concerning temporary employees. This could be partially due to the fact that although service sector is indeed the most demanded one among freelancers, they often tend to work in other sectors too (such as science or information and communication, for instance), which might also be the case with temporary workers, but to a smaller degree.

Overall, it can be seen that the youth is generally following similar trends in terms of contingent employment as their older counterparts: their choices do tend to be affected by such factors as the size of the service industry, overall economic situation in the country and others. These factors can often explain the drastic differences across the EU in terms of contingent employment among the youth.

Besides, it is clear that the youth is especially vulnerable when choosing contingent work as their career prospect, since it may negatively affect their short-term permanent employment opportunities

due to social stigma and prejudice. Young contingent employees are also the most vulnerable demographic group in terms of job security and workplace safety, and they are also at a greater risk of overworking and being underpaid, compared to those working on permanent positions. Further research is, however, needed in order to study the specific motivations that are driving the youth to choose freelancing and temporary employment as their future career as well as specific aspects that are potentially discouraging them to do so.

THE YOUTH AS TARGET POPULATION FOR CONTINGENT EMPLOYMENT

As already mentioned before, the existing research on the topic of young people's motivation for joining contingent workforce is rather limited. First of all, contingent work as such is a rather recent phenomenon, but young people within contingent employment setting have been particularly understudied.

There is existing data on the overall motivations of contingent employees as a demographic group, but it doesn't specify if those motivating factors differ between particular age groups within contingent employment. It is not very well known and understood if young people have a different set of values and motivations for joining contingent employment in comparison to their older counterparts and it is also not clear if they require a specific set of motivating tools in order to stay productive and motivated in their contingent positions. Therefore, this chapter will be focused on collecting primary data by surveying young people, with the aim of outlining their specific set of motivating factors for engaging in contingent employment as well as to assess if their needs are any different to those of older generations of contingent workers. Besides, by the means of in-depth interview with an industry expert, it will be assessed whether large enterprises are willing to employ young contingent workers and what specific tools does their management use to retain and motivate them.

Methodology description:

In order to assess the attitudes of the youth towards contingent employment and to identify the key motivators that could affect their performance within the contingent workplace setting, a quantitative survey that involved 150 respondents from different countries of the EU, as well as the UK, Iceland and Norway was conducted.

This quantitative research method was chosen due to the fact that it allows to gather data about opinions of large groups of population and therefore allows to make generalized conclusions about the topic. Besides, researches on similar topics, such as the one by Vaiman, Lemmergaard and Azevedo as mentioned in the theoretical part, have successfully used the quantitative survey approach for attaining valuable data and using it to achieve the stated goals of the research⁸⁶. Besides, the research regarding employee safety and security in contingent work settings done by Probst, Petitta,

⁸⁶ Vaiman, V., Azevedo, A., & Jeanette Lemmergaard. (2011). Contingent workers: needs, personality characteristics and work motivation. *Team Performance Management*, 311-324.

Barbaranelli and Lavaysse has also used voluntary surveys as its primary data collection method⁸⁷. Therefore, survey as a primary research tool can be seen as one of the standard research methods for the field of study of human resource management.

It was also crucial to combine both quantitative and qualitative research methods in order to obtain the best results, since combination of these two methods would allow for more precise and trustworthy conclusions on the topic. Therefore, the quantitative survey was used in the first and second subchapters in order to obtain more general and statistical information regarding the opinion of the youth on contingent employment and to therefore outline some general trends that could be taking place. The third chapter, however, is using a qualitative in-depth interview in order to outline more practical information on the opinion of a large international enterprise, which would allow to make more detailed conclusions

The data collected in the survey would help to make conclusions about the relevance of the traditional motivational theories described in the first chapter too: the respondents were asked to rate a specific range of motivational factors in a contingent workplace according to their importance. This would allow to assess whether the motivational needs of the modern youth on contingent positions actually align with the traditional motivational approaches and if there is a specific set of tools that would apply exclusively to young contingent employees.

The survey was conducted over the course of the months of October and November and was distributed among students and graduates through online channels. For the sake of studying the motivations of different sub-groups of young people, it was crucial to ensure maximum diversity, therefore the age constraint was chosen to be quite wide: young people aged 18 to 35 were surveyed. Even though the main focus of the research is students and recent graduates as potential participants of contingent workforce, it was still crucial to observe the attitudes of millennials overall (those born between 1980s and 2000s), therefore older groups of the youth were also included in the survey.

The European Union, as well member states of the European Economic Area, was the main geographical focus of the research, due to its cultural alignment with the previously studied scientific literature and trends, as well as relatively similar cultural background of the citizens of each member state.

The survey consists of 10 multiple-choice questions regarding the participants' profile (age, sex country of residence etc.) as well as the specific topic-related questions, such as those regarding their

⁸⁷ Probst, T., Petitta, L., Barbaranelli, C., & Lavaysse, L. M. (2018). Moderating effects of contingent work on the relationship between job insecurity and employee safety. *Safety Science* 106, 285-293.

overall attitude towards contingent work, potential motivating and demotivating factors and others. Questions about the young people's motivating and demotivating factors provided multiple-choice options, with an ability to choose several responses at a time, which was done in order to then make conclusions about the level of importance of each of the factors (by the share of respondents who chose it as one of their preferred responses). The list of potential motivators and demotivators was carefully constructed considering the nature of contingent work, therefore only the most important factors and those that were most likely to motivate or demotivate young contingent employees, were included as response options.

The results of the survey were then summed up and illustrated by constructing graphs with the help of MS Excel and Google Forms with their subsequent analysis and development of possible common trends and conclusions.

A limitation which has significantly affected the course of the survey is the global COVID-19 pandemic, which has limited the possible channels of distribution of the survey due to the epidemiological situation in Latvia and overall in the world. Therefore, instead of the optimal sample size of 380 respondents, which would have provided a confidence level of 95%, it was possible to collect only 150 responses. However, even a survey with a smaller sample size would give a useful insight and would help to make valuable conclusions regarding the topic of the research.

The complete list of questions used in the survey as well as the response options is available in the appendix 3 at the end of the work.

The primary research method for the third sub-chapter was chosen to be an in-depth interview, and it is seen as the most suitable qualitative research method due to several reasons: first of all, it allows to gain very specific insights into the actual process of hiring contingent employees and motivating them from the perspective of a large multinational enterprise, which therefore allows to make more detailed and practical conclusions about the research topic. Besides, in-depth interviews are seen as a standard research method in the field of human resource management as well as for specific topics of managing both regular and contingent employees. Such researchers as Redpath, Hurst and Devine have successfully used it in their research on knowledge workers' and managers' perception of contingent work⁸⁸. Another example of the use of an interview as a primary data collection method in a similar field is the research on communication between permanent and contingent workers in an

⁸⁸ Redpath, L., Hurst, D., & Devine, K. (2009). Knowledge workers, managers, and contingent employment relationships. *Personnel Review*, 74-89.

organization done by Xiaoke Yang, where they were using a combination of participant observation and interviews for the achievement of the goals of the research⁸⁹.

The in-depth interview was chosen to be a structured one, with 12 open-ended questions that were planned and created in advance, ensuring their relevance to the topic as well as specificity in order for the interviewee's response to be as detailed as possible.

The interview was conducted with an expert with more than 25 years of managerial experience in the fields of retail and IT, who has asked to preserve their anonymity. They are the deputy CEO at ISsoft Solutions, one of the most prominent IT enterprises in Belarus with more than 1500 employees in Minsk alone, and with their headquarters located in Minneapolis, USA. The company is developing a wide range of IT products mainly to be exported to the markets of the EU and the US.

The search of the interviewee was conducted through a personal network and took place over a Zoom conference call. The length of the interview was around 30 minutes and it was audio-visually recorded in its entirety, with its subsequent transcription.

For the purpose of the analysis of the gained information, the interview was coded, and main key concepts were summarized, outlining the key motivational tools that could be used towards contingent employees as well as the key views of the interviewee on contingent employment as a whole. All of these themes were then analyzed in order to make more precise conclusions on the topic.

It was also crucial to analyze the themes discussed in the interview in combination with the results attained from the qualitative survey that was conducted in the previous chapter: comparing these two sets of qualitative and quantitative results would allow to further ensure the validity of the conclusions made as well as would provide a more clear and detailed view on the topic.

3.1. Motivating factors for the youth in contingent workplace setting:

The majority of the participants are 18-25 years old, meaning that they either belong to the generation Z or are millennials. The share of the oldest surveyed participants aged 31-35, still classified as millennials, is rather low- 12%, however, it is still valuable to have this age group included in the survey in order to be able to make conclusions about the diversity within different age groups.

The majority of the surveyed participants were female (57,3%), however the difference being not very drastic, with males constituting 41,3 % of the sample.

The table below illustrates the age and gender composition of the surveyed participants:

⁸⁹ Yang, X. (2012). Contingent Workers, Permanent Loser?- How perceived Trust Shapes Communication between Contingent Workers and Standard Workers in Knowledge-based Organization. *International Journal of Business and Social Science*, 172-180.

Table 3.1.

Age and gender composition of the survey participants (n=150)

Age	% of participants	Gender	% of participants
18-25 years old	62,7	Male	41,3
26-30 years old	25,3	Female	57,3
31-35 years old	12	Prefer not to say	1,3

The following graph illustrated the geographical distributions of the participants of the survey according to their country of residence:

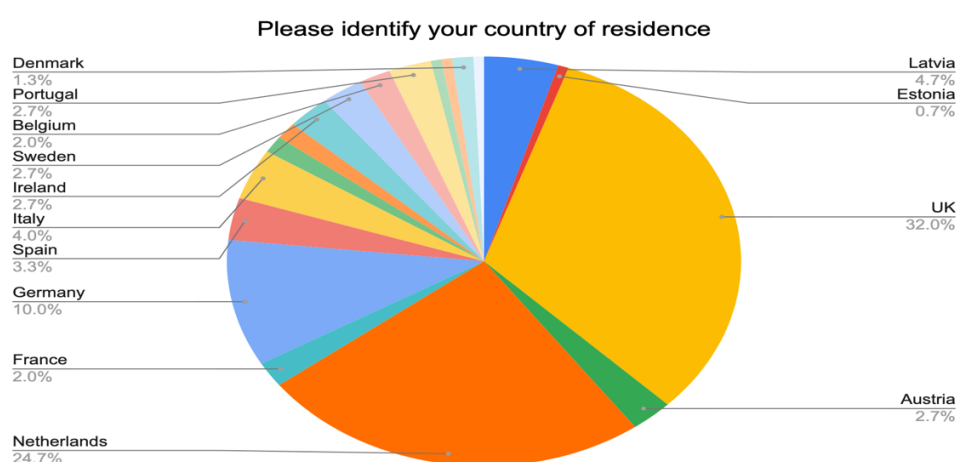


Figure 3.2. Geographical distribution of the survey participants according to their country of residence (n=150)

As illustrated on the graph, the largest share of participants is coming from such countries as the UK, the Netherlands and Germany (32%, 24.7% and 10% respectively). The share of respondents from other countries is relatively low, which might not allow for the research to outline the specific inter-country differences, however it would still be possible to draw conclusions about the European youth and their attitudes towards contingent employment overall.

For the sake of better understanding the needs of the youth, it was crucial to differentiate between those currently studying or completing the degree and those already graduates or employed. Therefore, current university students constituted 69.3% of the sample, with those already graduated or employed constituting a significantly smaller proportion- 30.7%.

The graph below illustrates the fields of study or occupation of the participants of the survey:

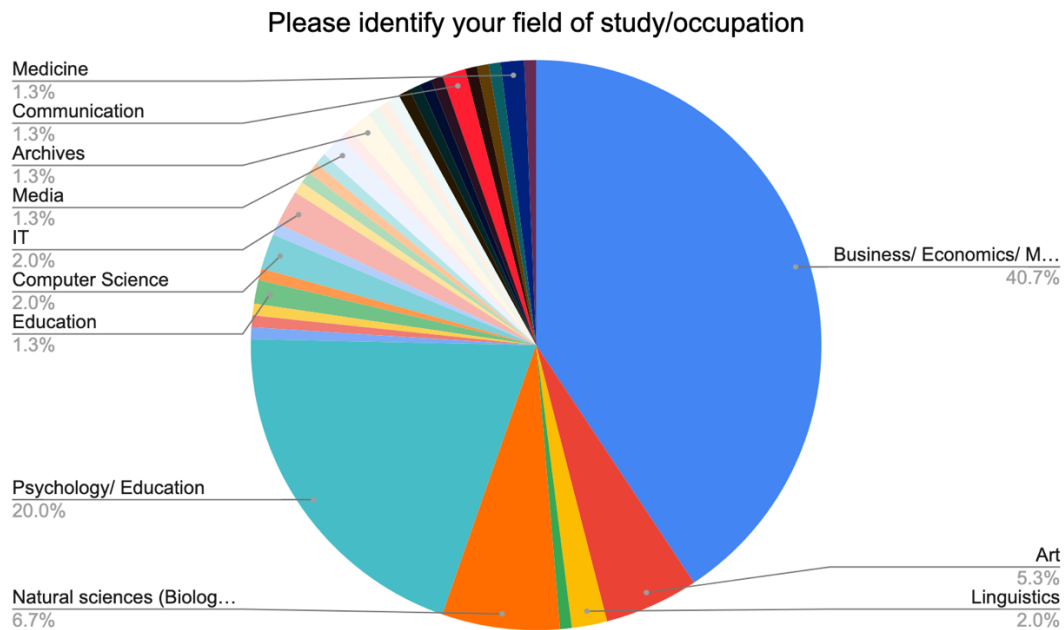


Figure 3.3. The field of study or occupation of the survey participants (n=150)

As illustrated on the graph above, the majority of the survey respondents are either studying or are employed in the field of business, management and economics (40.7%) with other popular fields being Psychology/Education, Natural Sciences, and Art (20%, 6.7% and 5.3% respectively).

When analyzing the attitudes of young people towards contingent employment, it is crucial to understand their overall motivators when choosing a job or a professional field. The graph below illustrates the factors taken into consideration when choosing a job among all the survey participants:

Please rate these factors when choosing a job or professional field according to their level of importance

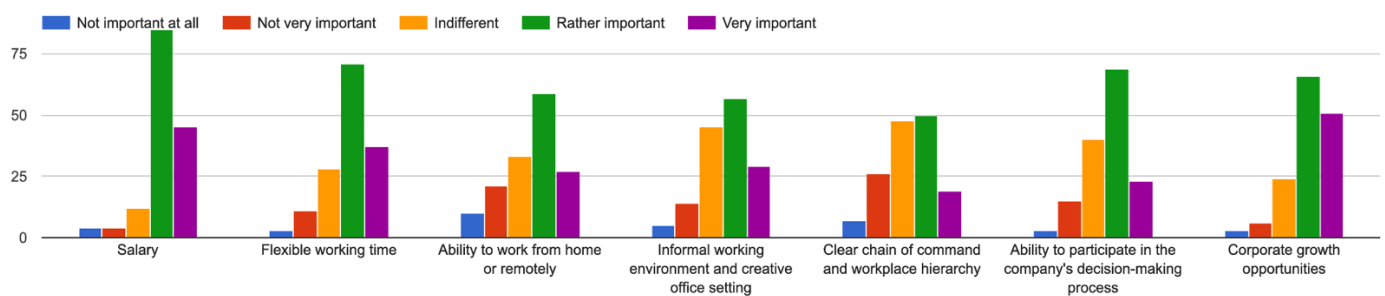


Figure 3.4. Factors when choosing a job according to their importance (n=150)

As seen from the graph, salary, flexible working time and corporate growth opportunities seem to be the most important factors for the youth when choosing a job or a career path, since the number of respondents who've rated them as rather important and very important is the highest compared to other

factors. Such factors as a clear chain of command, ability to work remotely and informal working environment, on the contrary, have shown to be the least important for young workers due to the highest shares of “indifferent” and “not very important” responses.

Throughout the research it was crucial to compare the views of different age groups on the studied issues of motivation, therefore the youngest age group, 18-25 years old, was analyzed separately in order to see if the views of students and recent graduates differ from those of their older counterparts. A graph showing the factors affecting the choice of a job among those aged 18 to 25 specifically was constructed:

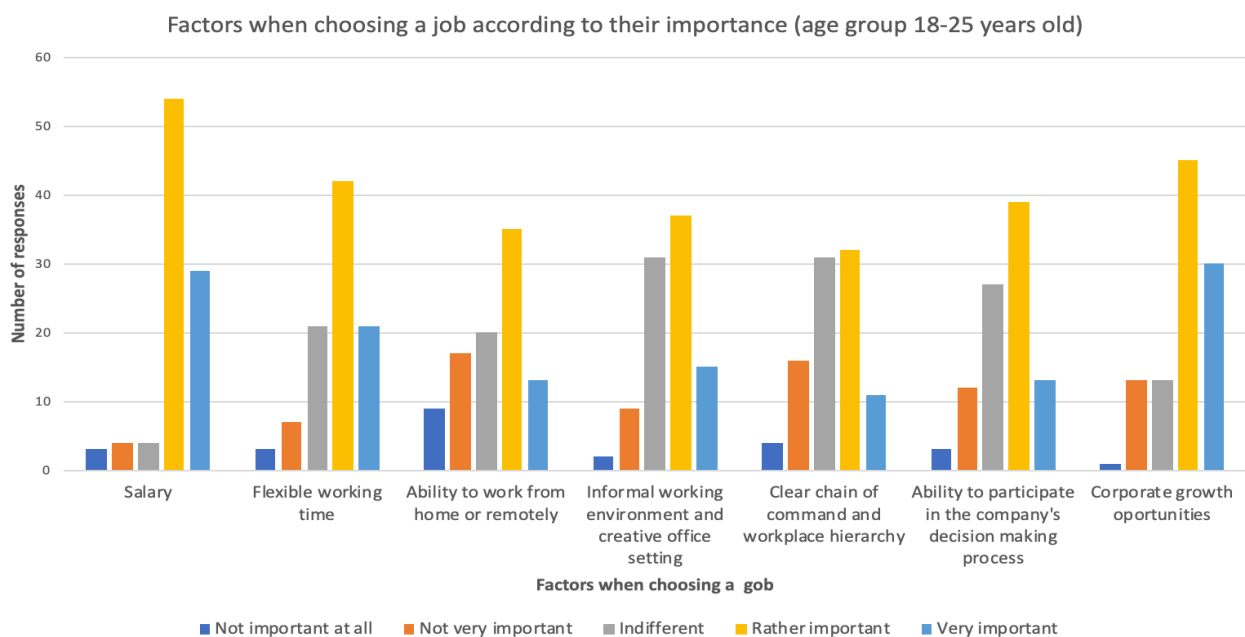


Figure 3.5. Factors when choosing a job according to their importance among those aged 18-25 (n=94)

The graph confirms the fact that when looked at separately, those aged 18 to 25 are following similar trends as the older groups of respondents within the survey due to very similar observed results compared to those in the case of the total sample population. For those aged 18 to 25 salary, growth opportunities and flexible working time are still the most crucial ones, whereas informal working environment, clear chain of command and the ability to work remotely have shown to be of the least importance.

One of the most important questions within the survey was whether the respondents have considered contingent employment as their potential career prospect. The chart below shows the response distribution regarding this issue:

Have you considered contingent employment (freelancing/ temporary employment) as a potential career prospect?

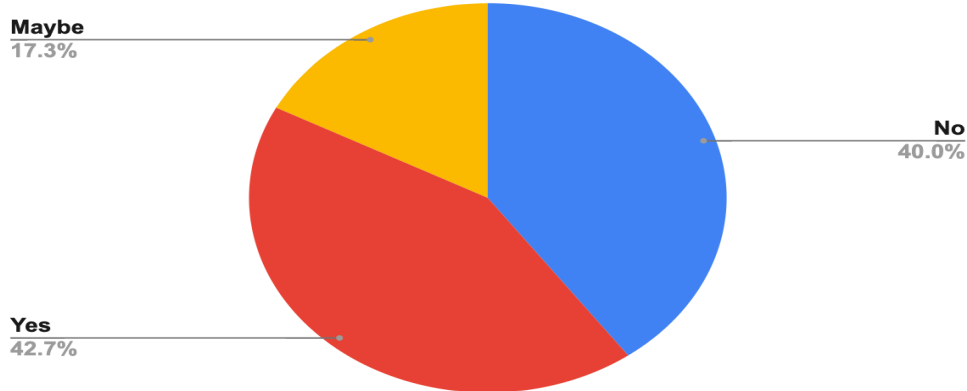


Figure 3.6. Contingent employment as a potential career choice for the youth (n=150)

As illustrated on the graph, the majority of respondents has considered contingent employment as their potential career prospect (42.7% yes and 17.3% maybe), indicating that freelancing and temporary employment are indeed rather attractive career paths. On the other hand, however, the share of those who do not consider contingent employment as their future career prospect is quite high too: 40%, indicating that traditional employment might still prevail in popularity. Besides, the share of those who answered “maybe” is quite substantial too (17.3%), meaning that there are certain aspects to contingent employment that make it an attractive option and vice versa, repel young people from definitely considering it as a potential form of employment.

In order to see if the views of the young demographic group are any different from those of older age groups participating in the survey, the following graphs were constructed, including responses from those aged 18 to 25 as well as from those aged 30-35:

Have you considered contingent employment as a potential career prospect (18-25 years old)?

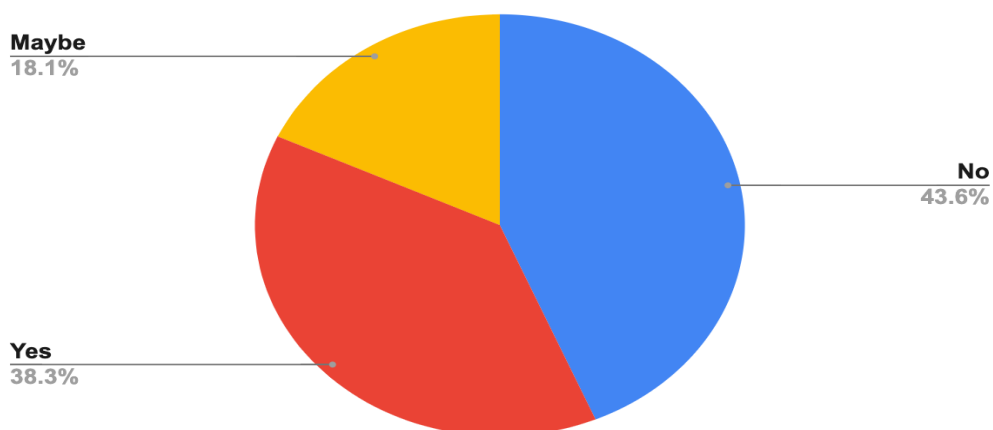


Figure 3.7. Contingent employment as a potential career choice for those aged 18-25 (n=94)

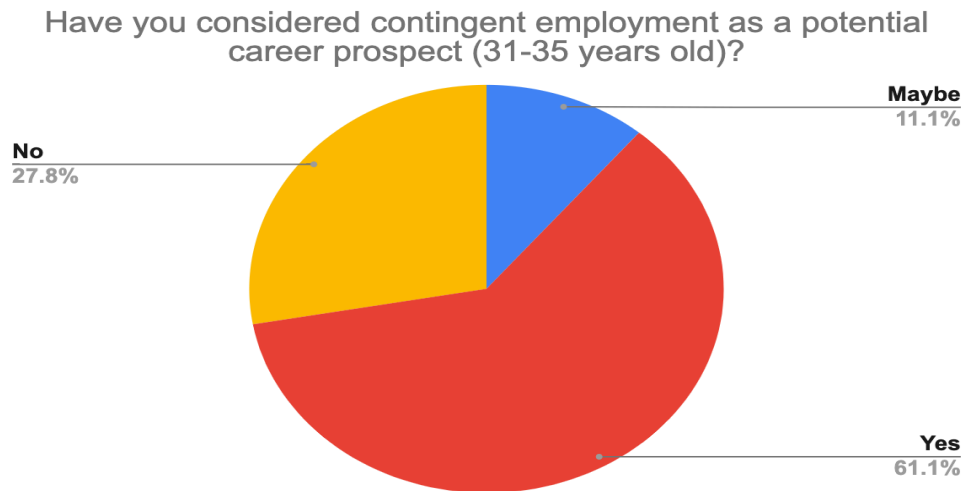


Figure 3.8. Contingent employment as a potential career choice for those aged 31-35 (n=18)

As illustrated on the graphs, the differences in attitudes towards contingent employment among different age groups within millennial population are quite significant. Older millennials are seen to be more embracing of contingent employment, with 61.1% definitely having considered it as a potential career path, compared to just 38.3% of the younger ones. The share of those who definitely haven't considered contingent employment as their career prospect among those aged 18-25 is also substantially higher than that among their older counterparts. The willingness to join of those aged 26-30 to join contingent employment is also slightly higher, with 43.2% responding with "yes" which indicates that there could indeed be a negative trend regarding the views of the youth on contingent employment: those from the youngest age groups have shown lower interest towards contingent work than those from the older age groups. This could potentially be explained by the fact that people aged 18-25 are either still studying or have recently graduated meaning that they haven't tried contingent employment yet and therefore view it with a certain degree of skepticism. At the same time, those aged 30 to 35 might already have experience with different types of employment: both regular and contingent one and therefore see the positive and negative factors concerning each type of employment, which in turn makes them more open-minded and willing to pursue contingent work as a career. Another potential reason could be the social prejudice and stereotypes discussed in the previous chapters: due to an image of contingent workers being less qualified and underpaid, younger people might see this employment option as less prestigious and therefore less favorable.

It was also crucial to analyze the key reasons for the youth choosing or rejecting contingent employment as a career path, therefore the survey included questions regarding the most important factors that lead to respondents answering "yes" or "no" about choosing contingent work as their potential form of employment. The responses regarding the reasons why the survey participants have

previously considered contingent employment as a potential career prospect are illustrated on the chart below:

If your answer was "yes" or "maybe", then what factors attracted you towards contingent work? If "no", then skip this question

97 responses

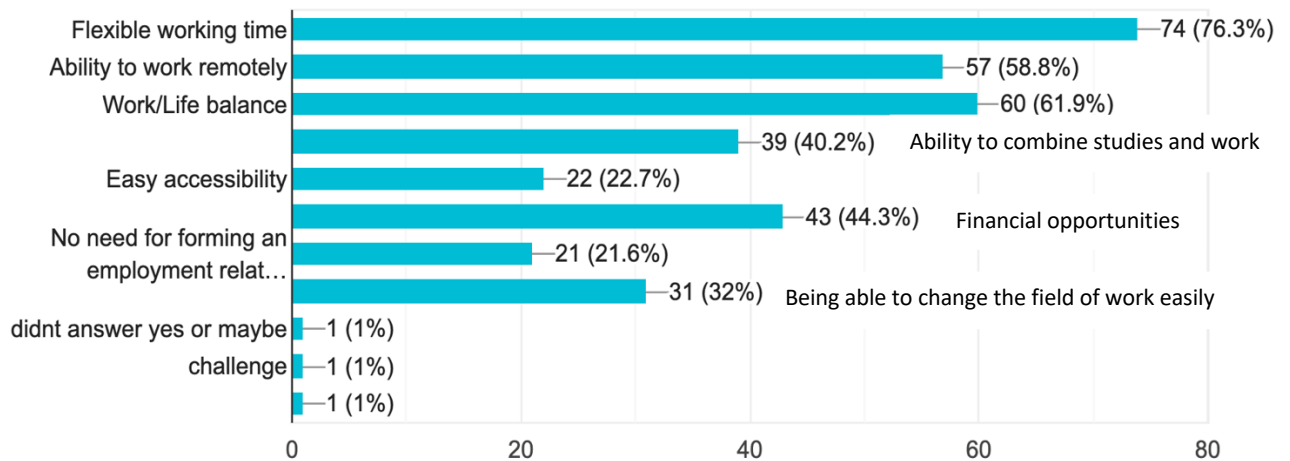


Figure 3.9. Factors attracting towards contingent employment (n=150)

As illustrated on the graph some of the most important factors that attract young people towards contingent employment are flexible working time, work-life balance and the ability to work remotely. Such factors as easy accessibility of contingent work as in the case of freelancing, as well as not having a need to form an employment relationship, on the contrary, have shown to be of little interest to the respondents. It is also important to outline the fact that financial opportunities aren't shown to be a particularly attractive factor (since only 44.3% of respondents chose this response), which therefore confirms that those willing to join or employed in contingent workforce do not have high financial expectations of this type of employment. However, these results and assumptions were made on the expectation that all the survey participants who have considered or already participated in contingent employment did so voluntarily. The research does not study nor distinguish those for whom contingent work has been an involuntary choice, meaning that there could be different factors contributing to their choice of contingent form of employment (such as a greater importance of the financial component, for instance).

The table below represents the factors that generally repel young people from choosing contingent employment:

If your answer was "no", then what factors made you not consider contingent employment as a career path? If "yes" or "maybe", then skip this question

65 responses

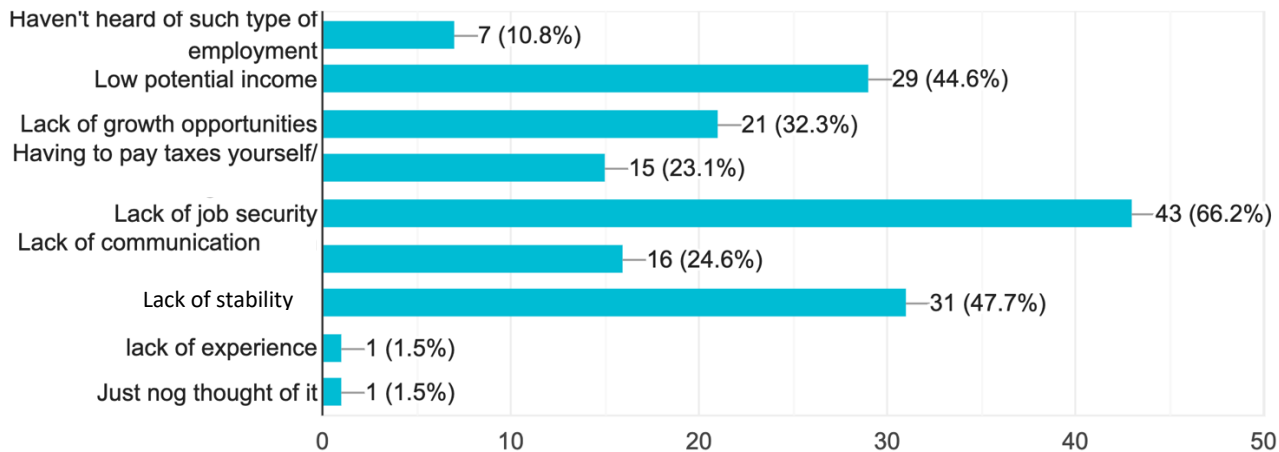


Figure 3.10. Factors repelling from contingent employment (n=150)

As illustrated on the graph, the most repulsive factors for the youth when thinking of contingent employment are lack of job security, lack of stability and low potential income. However, such factors as lack of communication and lack of growth opportunities have shown to have a smaller negative effect on this demographic group’s choice, even though growth opportunities have been previously noted to be a significant factor for the youth when looking for a job overall. One of the key distinct differences between the group of the respondents who have considered contingent employment as a potential career and the ones who have not seems to be the financial aspect. For the ones that were willing to go for contingent work financial opportunities have previously shown to have smaller effect on their choice, whereas in the case of those who are not viewing contingent employment as a career prospect, lower potential income seems to be more significant of an issue. This could possibly be explained by a different set of expectations each group is having towards their professional careers: for some the primary goal of employment could be purely financial and these people would be less likely to choose contingent work as a career, whereas for the others personal and professional growth as well as work/life balance is more of a leading factor and therefore those people could potentially consider freelancing or temporary employment as their future career path.

In the process of the survey it was also crucial to identify the key factors that could motivate the youth in the contingent workplace setting and to see if the tools to motivate them are any different from the traditional motivational techniques discussed earlier in the research. Therefore, all respondents, both the ones who have considered contingent employment as a career and the ones who

have not, were asked to think of the potential factors that could encourage them to be more productive if they were to be contingent employees. The graph below illustrates the key motivational factors that the surveyed young people would have considered if they were employed on a contingent position:

If you were to work in freelance or on a temporary position, which of the factors could motivate you to produce greater output?

150 responses

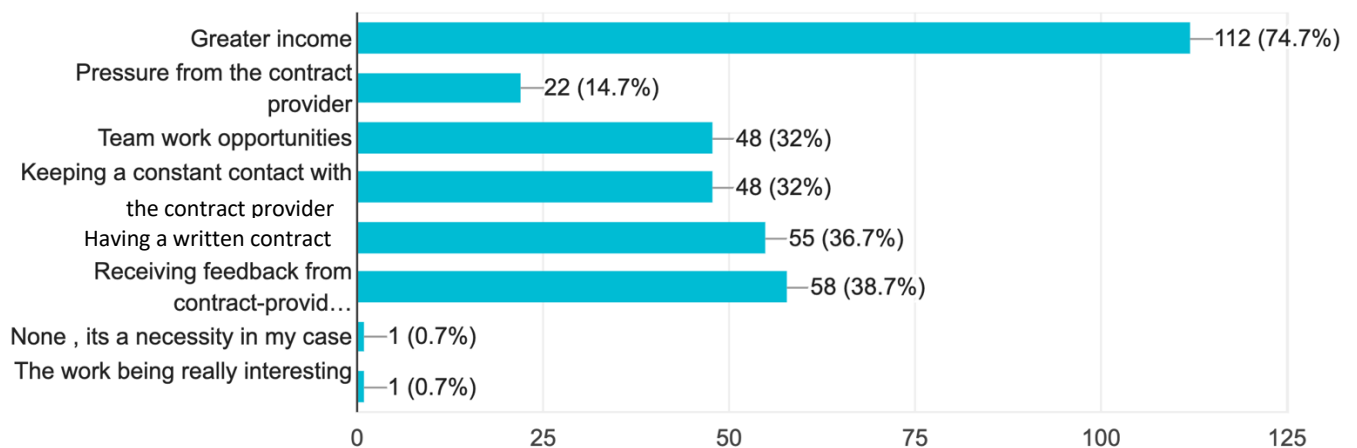


Figure 3.11. Potential motivating factors for the youth in the contingent workplace setting (n=150)

As illustrated on the graph above, greater income is the primary motivating factor for the youth in the contingent employment setting. It has been previously concluded that financial means might not be the factor that would attract young people towards contingent employment in the first place, but once in a contingent position, most of them (74.7%) would still be motivated by higher income to a great extent. Having a written contract with a contract-provider has shown to be a relatively important factor too(even though significantly less important than higher pay), which suggests that young contingent employees are indeed looking for more security and stability within their contingent position, and therefore such guaranties as having a contract can have a significant motivating effect. Teamwork, contrary to the modern motivational theories and assumptions about the behavior of the youth at the workplace, has shown to have a relatively small effect on the young people’s motivation in a contingent work setting. This could potentially be explained by a different psychological contract and different expectations among those working in contingent employment. Besides, teamwork opportunities within contingent work setting and especially freelancing are usually rather limited, since freelancers tend to fulfill their working assignments on their own, therefore it is possible that they are not counting on team work nor do they need it for the fulfillment of their work.

Overall, the set of tools that could be used to motivate young contingent employees is rather limited and many of the traditional approaches used in respect with young workers, such as teamwork, communication and feedback, don't seem to produce the desired motivational effect within the contingent workplace. This can be due to the nature of contingent employment itself: since it often takes place remotely (as in the case of freelancing) and there is little contact between the contingent worker and the contract provider.

In order to better understand the motivational nature of the youth in the contingent workplace setting, it was also crucial to assess the key factors that could potentially demotivate them. Therefore, the main demotivators for the surveyed respondents are presented in the table below:

If you were to work in freelance or on a temporary position, which of these factors would discourage you from producing greater output?

150 responses

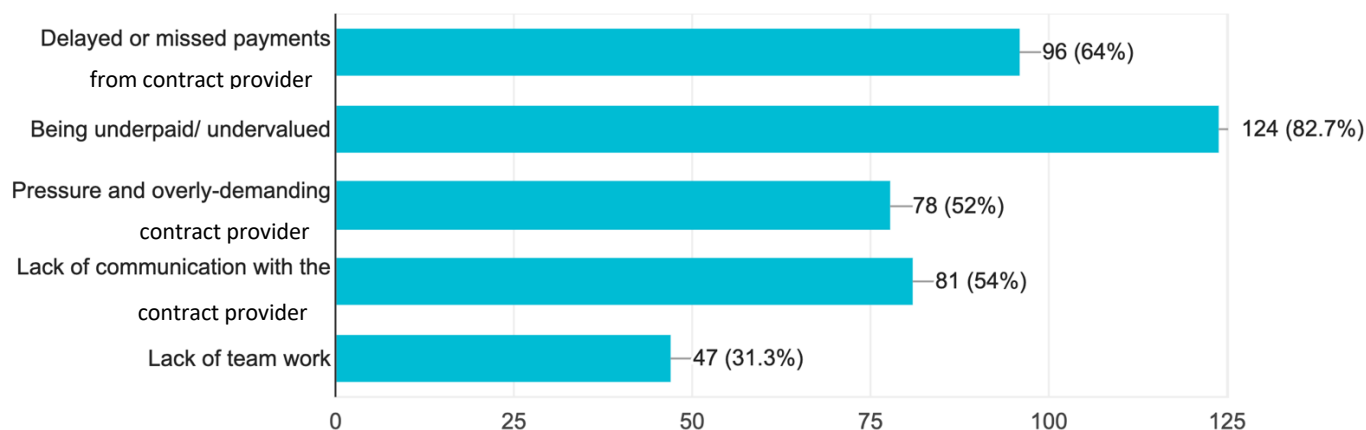


Figure 3.12. Potential demotivating factors for the youth in the contingent workplace setting (n=150)

As illustrated on the graph, the most significant demotivator for the youth is again, finance related. The vast majority of respondents (82.7%) consider being underpaid a major demotivating factor, which is further confirming the fact that financial means are the single most significant motivating factor: being adequately paid can significantly motivate young contingent employees and being underpaid can significantly demotivate them. Lack of teamwork has again shown to have little significance to the respondents, with only 31.3% confirming it as a demotivating factor in contingent employment. The fact that such factors as pressure from the contract providers and communication with them were rated as important demotivators by only a half of respondents (as well as less than a half rating communication with the contract provider as a motivator) further shows that the young people don't view direct relationship with the employer as important when it comes to contingent work. Besides,

this can potentially confirm the fact that contract providers or employers of temporary employees do not have many motivational or managerial tools at their disposal, apart from stimulating their work by providing them with an adequate level of pay.

3.2. Differences in views on contingent employment between young people according to their professional field, country of residence and occupational status

In order to better understand motivations of different groups within the youth when it comes to contingent employment, it was crucial to segment the total survey sample into several distinct groups according to the participants' educational and occupational field, their country of residence and occupational status. This is being done in order to study potential differences in attitudes of young people from different backgrounds towards contingent employment, which in turn would help to assess the differences in factors that could motivate them at a contingent workplace. Ultimately it would give a better insight into the specific tools managers or contract providers could use to motivate their contingent employees and would help to determine if different groups of young people require different sets of motivational techniques.

Differences according to the field of study or occupation:

As mentioned in the previous chapter, business, economics and management are the most widely represented fields of study within the sample, therefore it is crucial to analyze if this specific group of young people has different views on contingent employment from the other educational fields. The results attained from surveying those from the field of business would be compared to those from the other two educational groups most widely represented in the sample: psychology and education and linguistics, arts, communications and hospitality.

The graphs below represent the responses of those from the educational and employment field of business, management and economics regarding whether or not they have previously considered contingent employment as their potential career prospect as well as regarding their potential motivational factors at the contingent workplace:

Have you considered contingent employment as your potential career prospect (business/management/economics)?

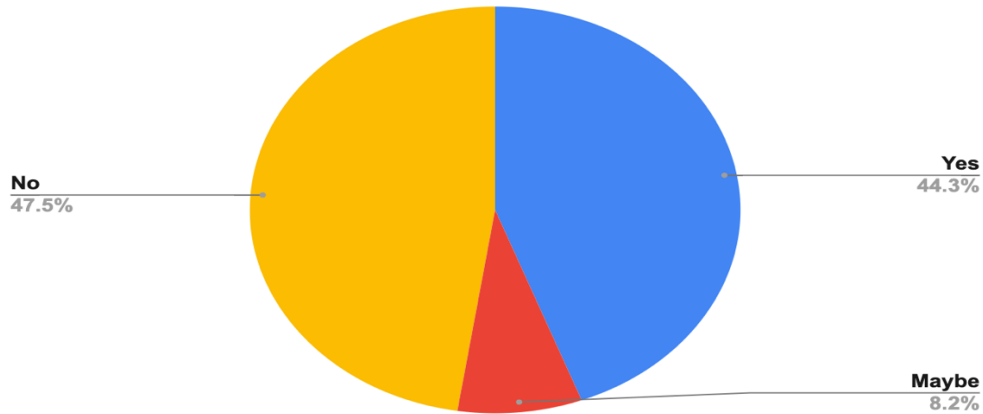


Figure 3.13. Contingent employment as a potential career choice for the youth (business/management/economics) (n=61)

If you were to work in freelance or on a temporary position, which of the factors could motivate you to produce greater output?

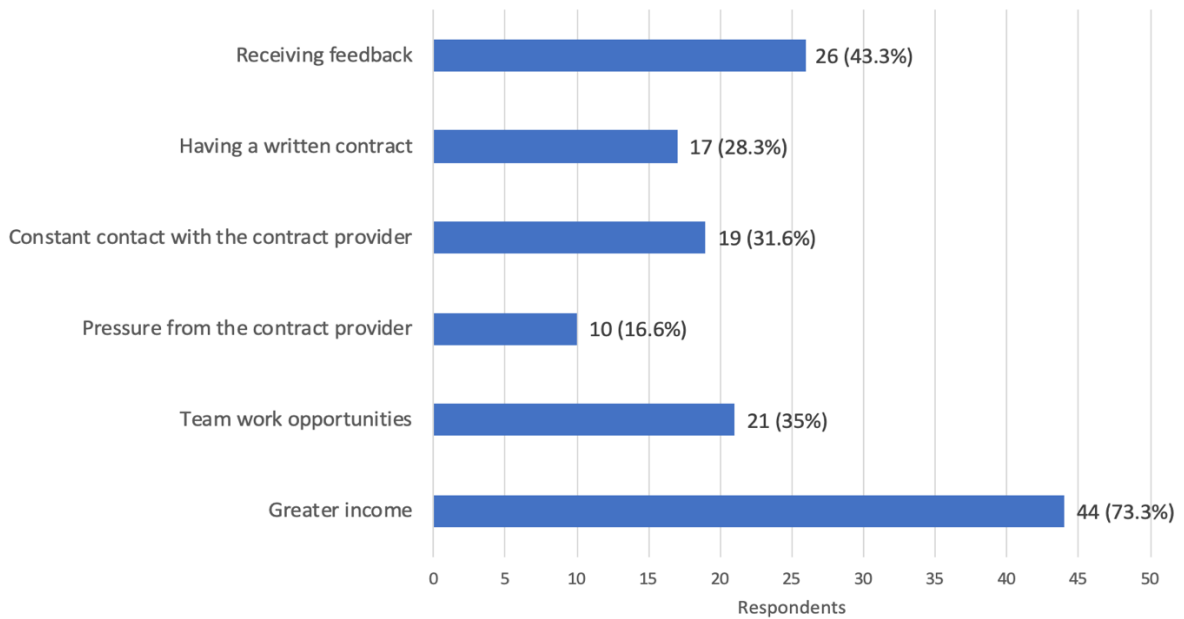


Figure 3.14. Potential motivating factors for the youth at the contingent workplace (business/management/economics) (n=61)

As seen from the graphs above, the overall attitude of those who have studied or are occupied in the fields of business, management and economics is overall rather similar to that of the total population. This particular group of young people has a similar percentage of those who have considered contingent employment as their potential career (44.3% compared to 42.7%), whereas the number of those who are definitely not willing to pursue it professionally is slightly higher than that of the total sample (47.5% compared to 40%).

When it comes to the motivating factors of those studying business, they have shown to be rather similar to the average as well: greater income is the single most important motivator, followed by receiving feedback and teamwork opportunities with significantly lower shares of responses.

Psychology and education are the second most represented educational group within the sample, therefore the graphs below illustrate whether or not young people from this group have considered contingent employment as a career path as well as their potential motivating factors:

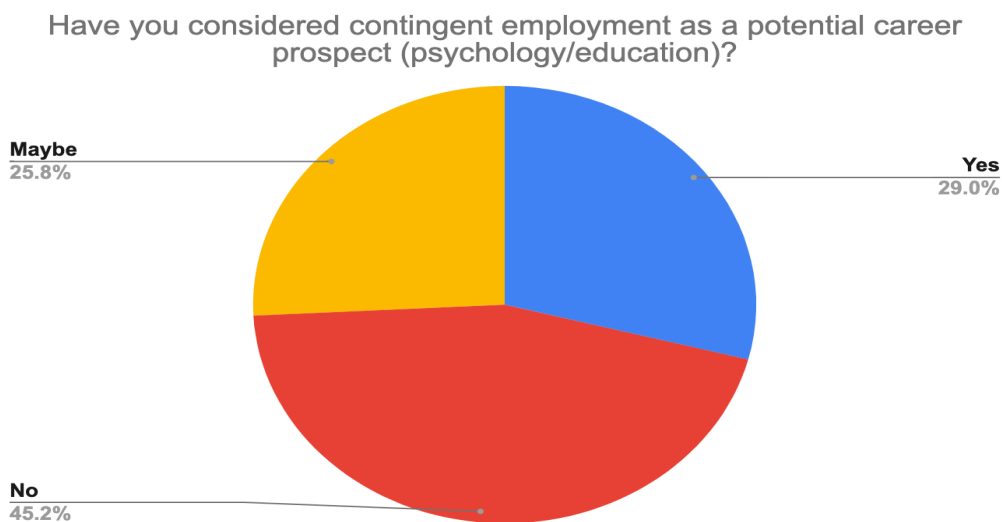


Figure 3.15. Contingent employment as a potential career choice for the youth (psychology/education) (n=31)

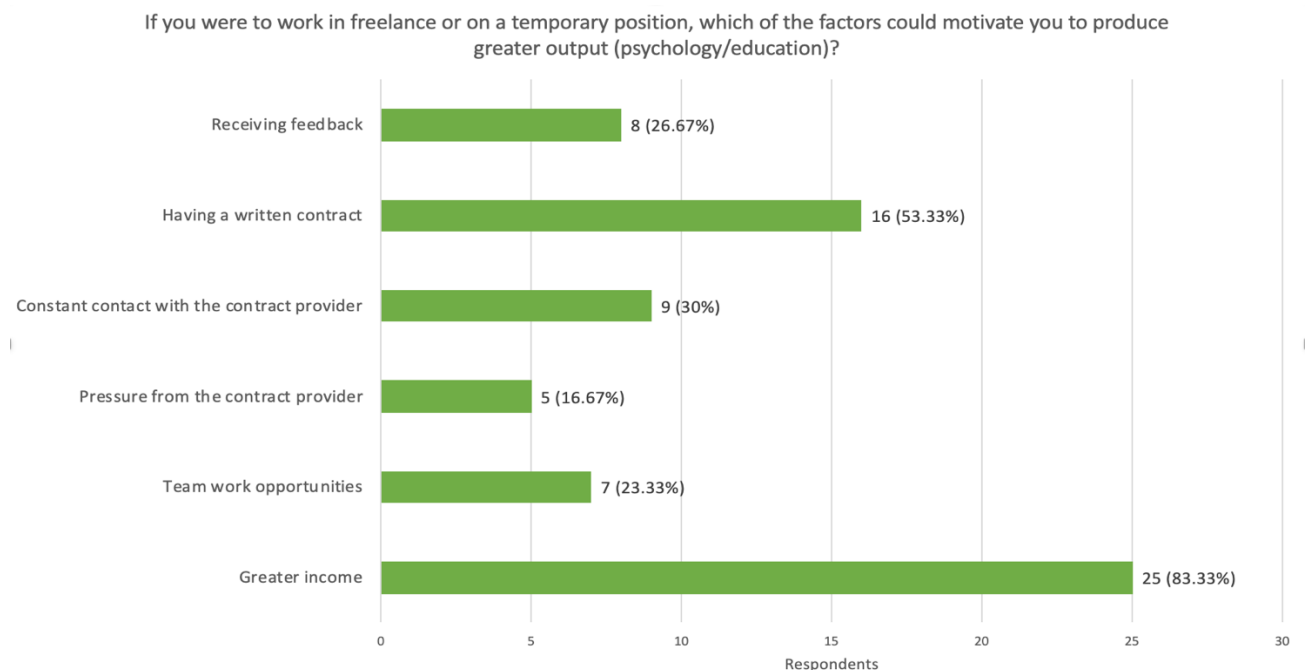


Figure 3.16. Potential motivating factors for the youth at the contingent workplace (psychology/education) (n=31)

As illustrated on the graphs above, the attitude of those either studying or employed in psychology or education are rather different to those from the fields of business, economics and management. The

majority of respondents from this group does not consider contingent employment as their potential career prospect (45.2%) with a relatively small share of those who do (29% compared 44.3% of those from the field of business). Besides, the major difference is with those who have answered “maybe” (25.8% compared to 8.2%), meaning that a large proportion of those in the field of psychology and education is still hesitant when it comes to contingent work. One of the potential reasons for that could be the fact that the options for contingent work in the field of psychology and to even a greater extent in education are limited. Those working as teachers or professors are usually employed by public or private educational institutions on a permanent basis, therefore the potential of offering educational services as a self-employed independent professional are rather limited (with the exception of private tutors, for instance). Psychology, however, does offer some more opportunities for contingent work: psychologists or counselors, for instance, do often work within their private practice or as self-employed, which increases the potential for contingent work in this group.

Another factor that could explain the above-mentioned differences could be the fact the service industry that those from the field of business and economics often operate in is the primary industry for freelancers in terms of its size and is therefore the most attractive one, whereas education and healthcare/ psychology have previously demonstrated to make up a smaller share of the market. Therefore, opportunities of finding contingent contracts and clients for those studying psychology and education could be rather limited.

When it comes to motivating factors, greater income is seen to have the largest effect on the youth from the fields of psychology and education, with even a higher share of them choosing it as a response than those from the field of business (83.33% compared to 73.3%). A significant difference in motivating factors between these two demographic groups is the attitude towards having a written contract or another form of security: for those studying psychology and education it is the second most important factor, whereas for those from the fields of business, management and economics this factor has shown to have a smaller potential effect on motivation (53.3% compared to 28.3%). This could again be explained by the nature of the spheres of education and psychology: due to smaller market for those contingent workers operating in these fields, their work could be driven by the means that secure their employment position to a greater extent than those from the field of business.

The third major group of educational fields is arts, linguistics, communications and hospitality. The graphs below represent the willingness of the surveyed respondents from this group to join contingent workforce as well as their potential motivational factors at the contingent workplace:

Have you considered contingent employment as a potential career prospect (art, linguistics, communications, hospitality)

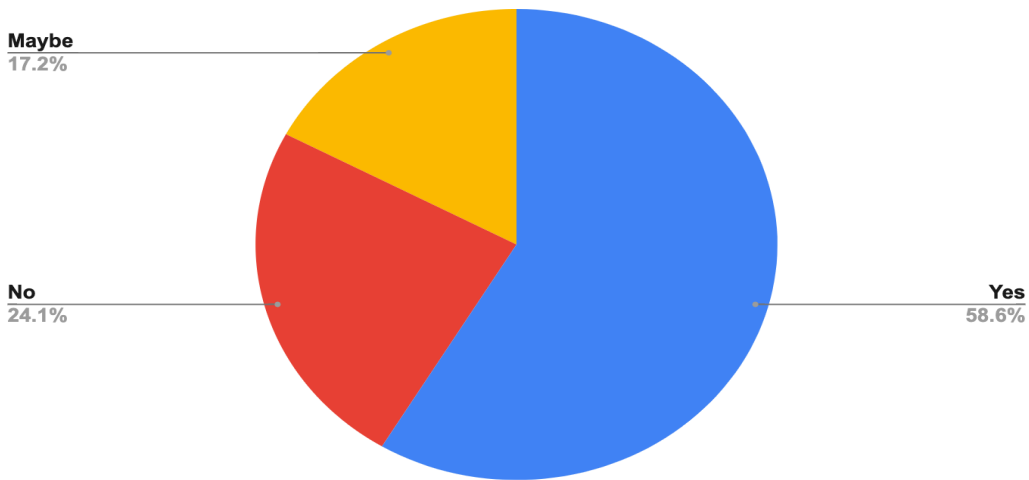


Figure 3.16. Contingent employment as a potential career choice for the youth (arts, linguistics, communications, hospitality) (n=29)

If you were to work in freelance or on a temporary position, which of the factors could motivate you to produce greater output

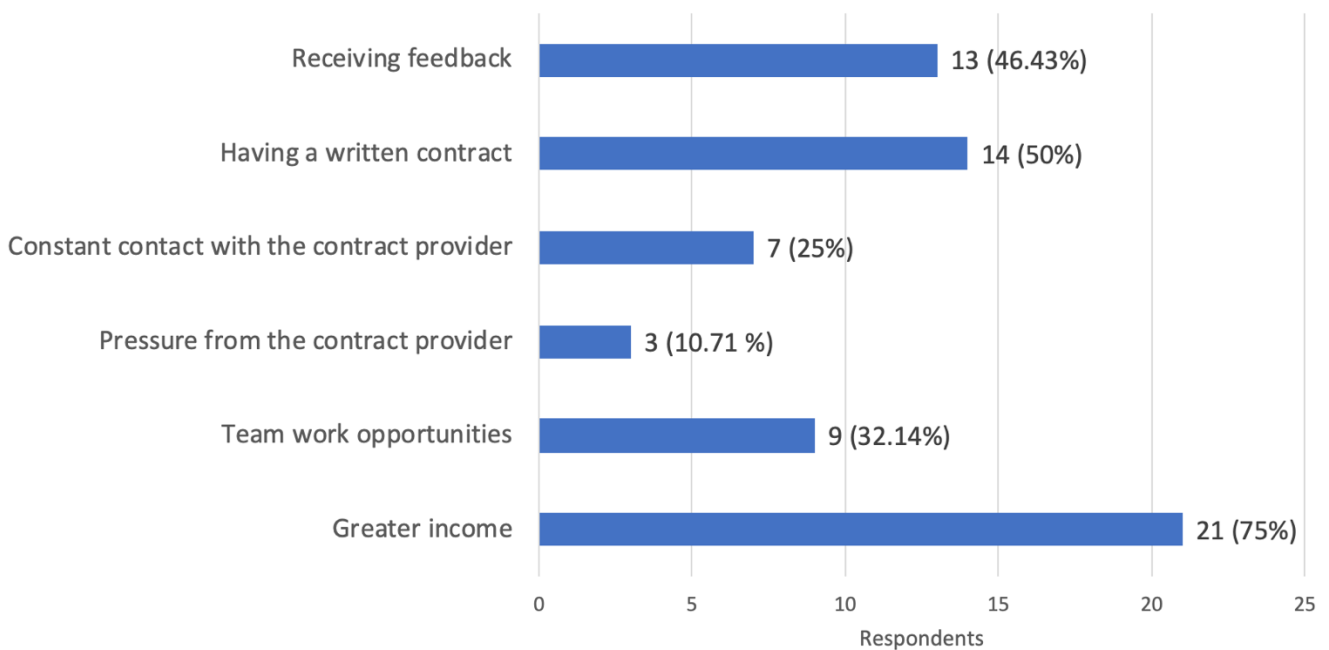


Figure 3.17. Potential motivating factors for the youth at the contingent workplace(arts, linguistics, communications, hospitality) (n=29)

As illustrated on the graphs above, those from the fields of arts, linguistics, communications and hospitality do share some significant differences with the previously mentioned educational and employment groups. They do show the highest willingness to join contingent employment, with 58.6% of respondents having definitely considered contingent work as their career prospect and 17.2% having

answered “maybe”, making up the majority of the group’s respondents (with only 24.1% haven’t considered contingent employment at all). Such positive view on freelancing and temporary employment can potentially be explained by the nature of the above-mentioned fields: such areas of employment as arts and linguistics, for instance, do provide certain opportunities for freelancing and temporary employment, even though these sectors do not make up a big share of the freelancing market (unlike sciences and services). A greater interest for contingent employment might also come from comparatively low labor market demand for the graduates of such educational fields as arts, for instance, which in turn encourages them to look more at non-standard forms of employment.

In terms of motivating factors, the above-mentioned educational group does demonstrate certain differences with the educational groups of business/economics/management and psychology/education. Even though they all share greater income as a single most important motivating factor, for those from the fields of arts, linguistics and other social sciences, feedback and teamwork can be seen as other prominent factors, unlike in the case of the fields of psychology and education. However, these two education groups with the exception of business, management and economics share having a written contract as the second most important motivator after adequate pay, indicating the fact that these two groups may potentially be more vulnerable on the labor market and are therefore looking for more job security and stability, in comparison with those from the field of business.

Overall, from the segmentation of the survey conducted above, it can be concluded that different educational and employment fields do exert different effects on the overall view of the youth on contingent employment. These differences can be seen both in their willingness to pursue contingent employment as a career and also in the factors that could potentially motivate them if they chose to work as freelancers or temporary employees. In order to establish the particular reasons that lead to these differences further research is needed, however, such factors as the nature of each of those fields as well as labor market demand for them should also be taken into account due to their potentially significant role.

Even though the differences between these groups are often significant, certain similarities do persist too: adequate pay is seen as a single most important motivator for all of the studied demographic groups within the contingent employment setting, which can be explained by the nature of contingent work and lack of direct tools that contract providers could use, other than paying their freelancers or temporary employees more. Having a written contract has also proven to be quite a significant motivating factor, since contingent workers, especially from the fields of psychology, education, arts and communications are increasingly looking for job stability and security. Traditional ways of motivating the youth, such as providing them with teamwork and communication opportunities, have

demonstrated to have little effectiveness within the contingent workplace setting with the exception of receiving feedback, which has shown to have slightly greater effect on the respondents' motivation.

Differences according to the country of residence:

It was also crucial to analyse the potential geographical differences in terms of the way the youth perceives contingent employment and whether their potential motivators differ across different regions of Europe.

The two most represented countries in the sample are the UK and the Netherlands (with 32% and 24.7% respectively). Therefore, the results from these groups of respondents were sorted and analysed separately in order to outline the potential inter-country differences. The graphs below represent the distribution of answers on whether or not the respondents have considered contingent employment as their career prospect in the UK and the Netherlands.

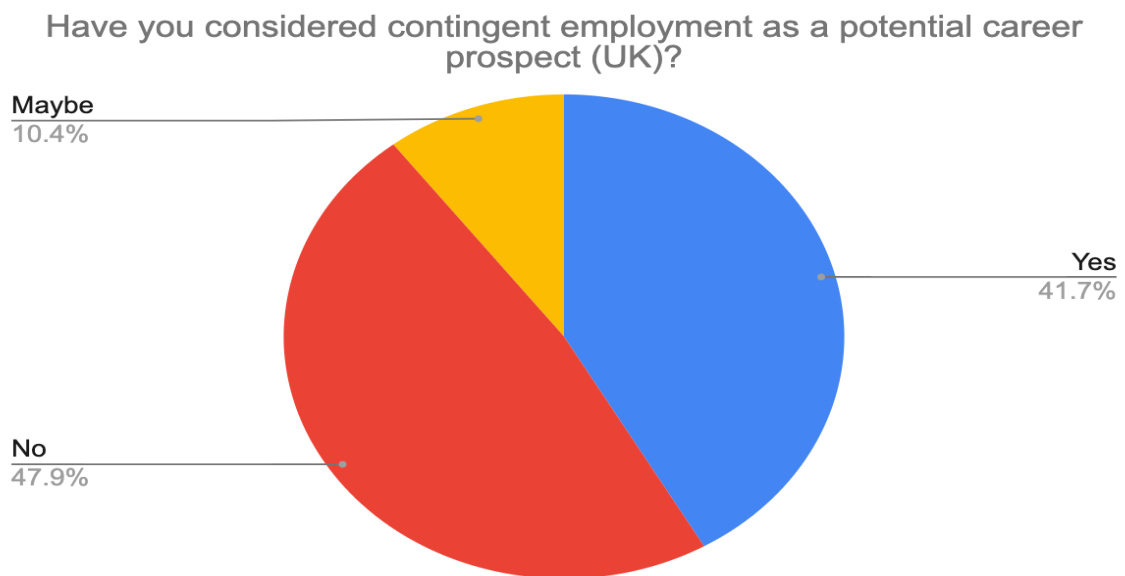


Figure 3.18. Contingent employment as a potential career choice for the youth (UK) (n=48)

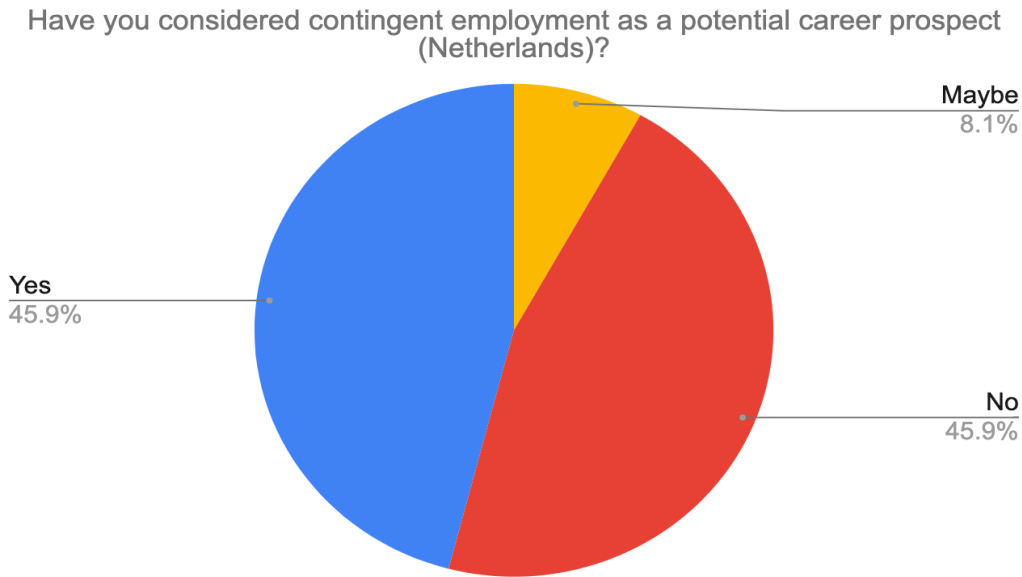


Figure 3.19. Contingent employment as a potential career choice for the youth (Netherlands) (n=37)

As illustrated on the graphs, there is no significant difference in terms of the willingness of the youth to engage in contingent employment as part of their career between the UK and the Netherlands, as the shares of those who have answered “yes” and “no” are very similar (41.7% of “yes” in the UK and 45.9% of “yes” in the Netherlands). Besides, the attitude of the youth in these two countries didn’t demonstrate a significant difference from the total sample population either. This similarity could possibly be explained by a similar economic profile of the two countries: both the UK and the Netherlands are advanced economies with developed service sectors, thus creating a similar set of economic conditions for contingent workers. Besides, countries could also share some cultural and social similarities which would in turn have a similar effect on the views of the young people on contingent employment.

The following graphs illustrate the potential motivating factors of the survey respondents from the UK and the Netherlands respectively:

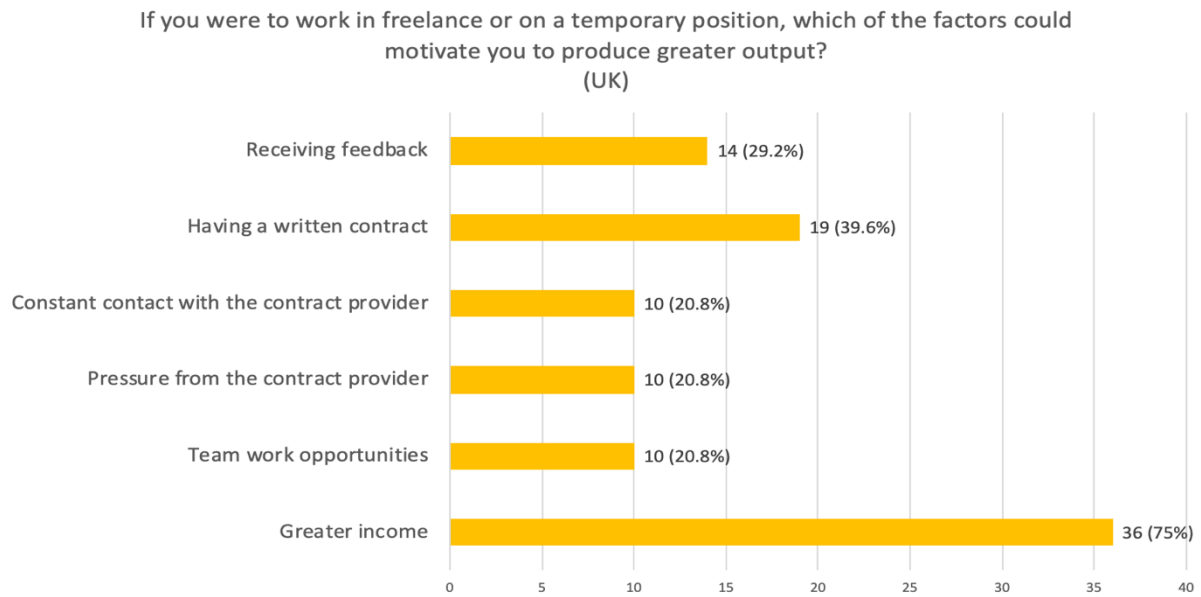


Figure 3.19. Potential motivating factors for the youth at the contingent workplace (UK) (n=48)

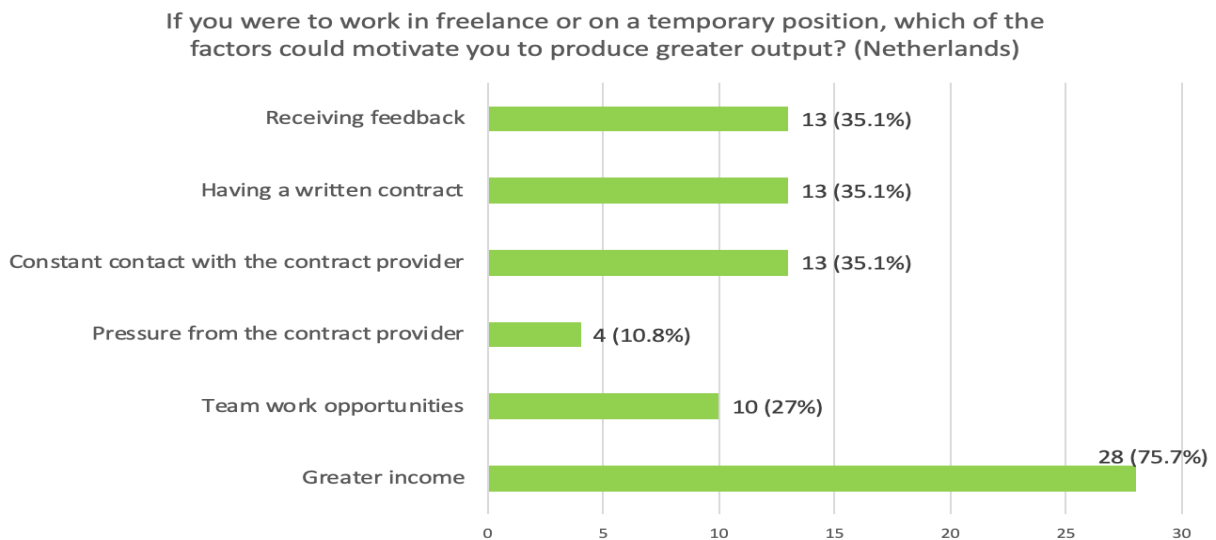


Figure 3.20. Potential motivating factors for the youth at the contingent workplace (Netherlands) (n=37)

As illustrated on the graphs, there is little difference between the key motivators of those from the UK and the Netherlands. Greater income is seen as the most important motivating factor in both countries, with a great majority having chosen it as their response. Otherwise, the responses from both countries are rather similar, with only slight variations in the share of respondents choosing one or another motivational factor. For instance, those from the Netherlands value teamwork and keeping constant contact with the contract provider slightly more (27% and 35.1% against 20.8% and 20.8% in the UK). However, the general pattern is rather similar in both countries: greater income is the single

most important motivator for the youth on potential contingent positions, with other factors being seen far less important.

Overall, it can be confirmed that the general attitudes of the youth towards contingent employment as well as their potential motivating factors are very similar in the UK and the Netherlands, the two most widely represented countries in the sample. However, a significant limitation is the fact that other countries within the survey have significantly lower shares of respondents, and as a result it wasn't possible to make wider judgements on the differences between countries with different social and economic backgrounds (such as Southern and Eastern Europe, for instance). Therefore, further research with a greater sample is needed in order to establish more specific regional differences in terms of young people's motivators in contingent employment settings.

Differences according to occupational status:

In order to further study the potential differences in motivating factors between different population groups within the sample, it was crucial to compare the views of students and those already graduated or employed. Therefore, the graphs below represent the willingness of survey respondents to join contingent employment according to their occupational status:

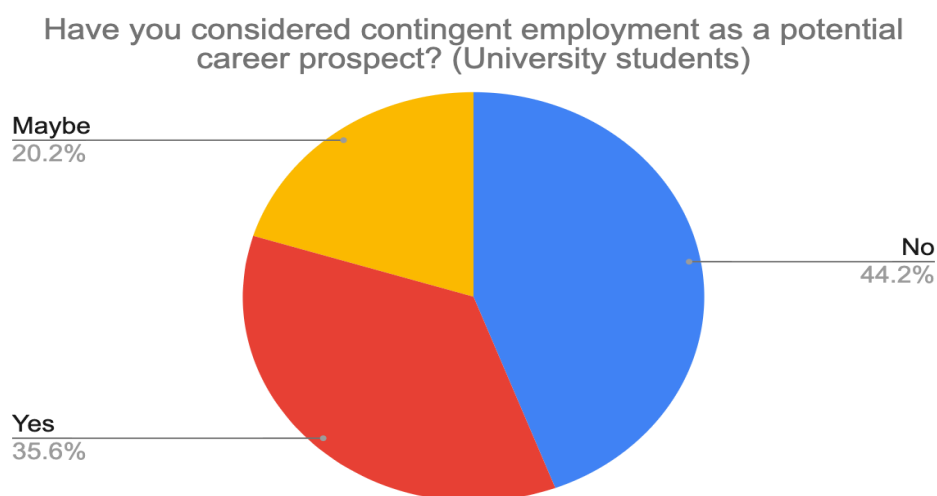


Figure 3.21. Contingent employment as a potential career choice for the youth (University students) (n=104)

Have you considered contingent employment as a potential career prospect? (Graduated/employed)

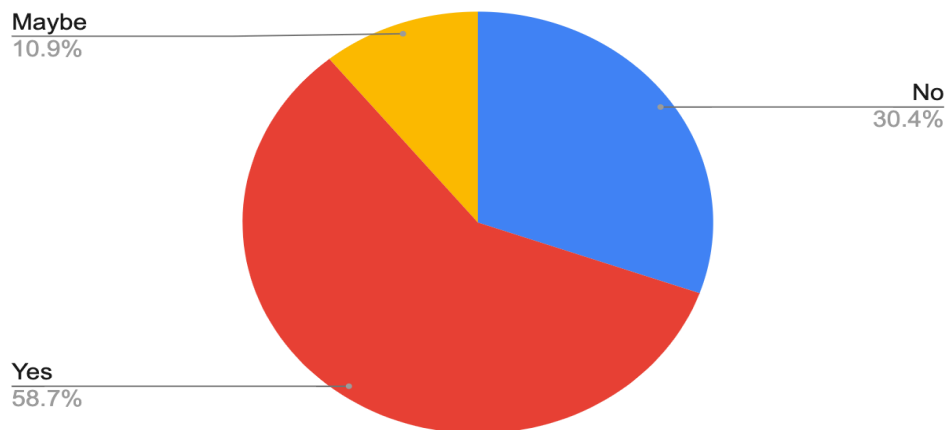


Figure 3.22. Contingent employment as a potential career choice for the youth (Graduated/employed) (n=46)

As illustrated on the graphs, there is quite a significant difference in attitudes towards contingent employment between current students and those already graduated or employed. It is seen that students are significantly less willing to engage in contingent work, which is represented by a higher share of those who answered “no”, lower share of those who answered “yes” and higher share of those still hesitating. The results are rather similar to those, where the different age groups of the survey participants were analysed separately, and the scepticism of students and younger age groups overall could potentially be explained by a set of factors like lack of professional experience, social stigma connected to contingent employment and others.

The graphs below illustrate the potential motivating factors for the survey respondents according to their occupational status:

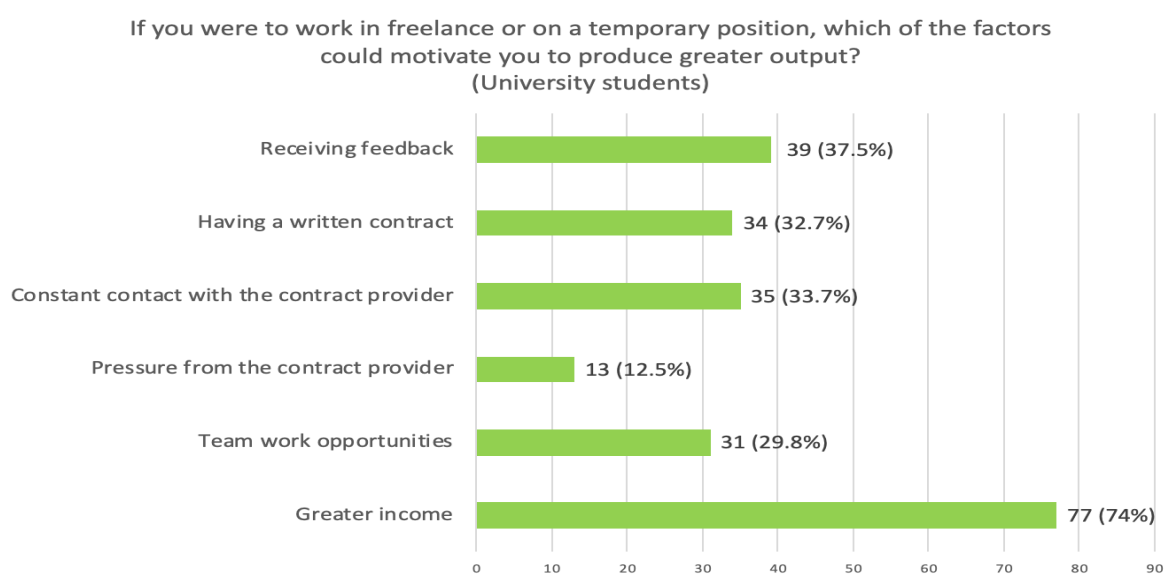


Figure 3.23. Potential motivating factors for the youth at the contingent workplace (University students) (n=104)

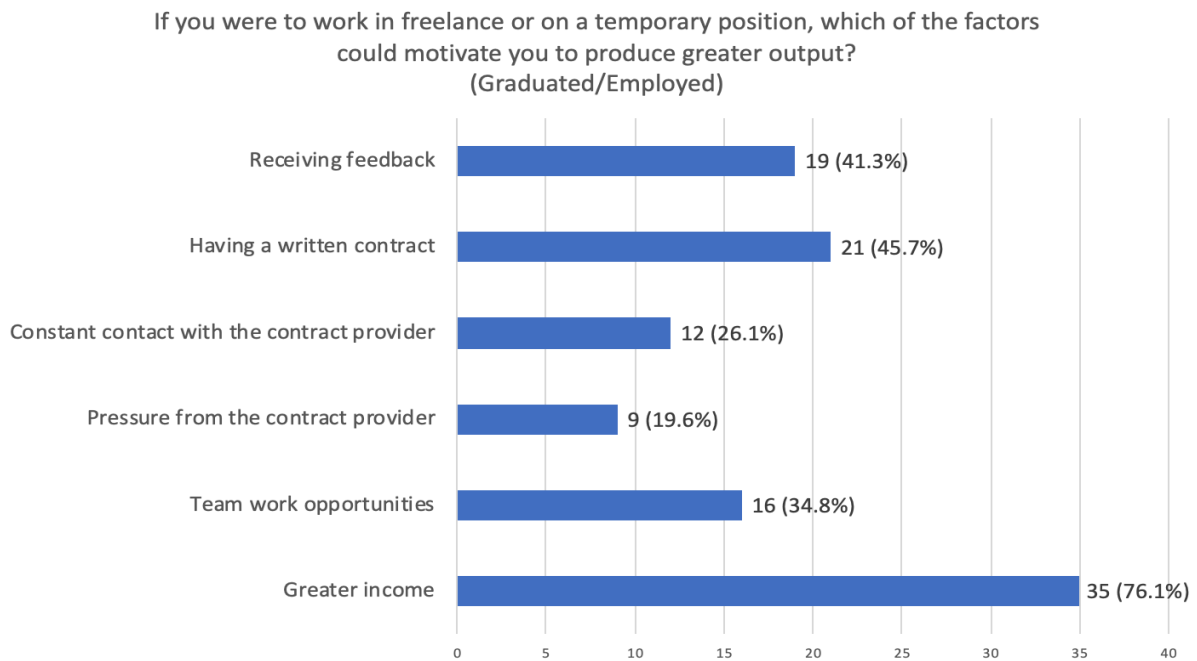


Figure 2.24. Potential motivating factors for the youth at the contingent workplace (Graduated/employed) (n=46)

As illustrated on the graphs, like in all the previous comparisons, greater income is seen as the most favourable motivational factor, as the vast majority of respondents from both occupational groups has chosen it as a response. Overall, the both results look rather similar with the exception of two factors: having a written contract and keeping constant contact with the contract-provider. It can be concluded that graduates and employed see having a contract or another form of security as more of an important motivator than current students do (45.7% against 32.7% of students), which could indicate that graduates are looking for higher job security and a therefore a more stable source of income. Current students, on the other hand, consider keeping a constant contact with the contract provider more of an important factor (33.7% against 26.1% of graduates), which could possibly be explained by their need for communication and guidance for performing efficiently.

Overall, from the analysis of different sample population groups conducted above, it can be concluded that they all share greater income as by far the most significant motivational factor. Another motivator that most groups considered important is having a written contract or another form of security. Although much less significant than greater income, the fact that in several groups around half of the survey participants have chosen it as a response, indicates that young people are increasingly looking for job security and stable income. Such sample groups as graduates, those from the UK and

those from the educational fields of psychology, education, arts and linguistics are particularly seeing having a written contract as a motivator, more so than the other population groups. The overall willingness to have some form of security can possibly stem from the nature of contingent employment itself: since it often takes place remotely (especially in the case of freelancers), contingent employees can feel especially vulnerable to being underpaid or even not paid at all for their inputs, therefore many of them view having some form of security as a valid motivator.

3.3. Approaches of enterprises to motivating young contingent employees

The primary goal of this sub-chapter is, by the means of an in-depth interview with an industry expert, to identify whether large enterprises are viewing young contingent employees as a suitable alternative to regular workers and what specific tools do they use for motivating them. Thus, the interview was transcribed, and the key themes were then outlined and subsequently analyzed.

The two most prominent themes in the interview were the overall relevance and feasibility of employing contingent workers in large multinational organisations and the specific motivational tools that could potentially be used to motivate the young contingent workers.

The interviewee has confirmed that their company is actively employing contingent workers in different spheres of their business activity: starting from construction and ending with food supply and office maintenance. However, they prefer not to engage contingent workers in the fields related to their core business competencies, such as IT product development and others. As for the above-mentioned fields of office maintenance or construction, they usually prefer to employ licensed contractors or outsources, who are usually registered as a legal entity, in order to minimise their potential risks.

When it comes to the freelancers in its traditional sense (the independent professionals working remotely on a by-task basis), the interviewee has outlined the two key situations in which ISsoft Solutions is usually using their services:

1. Permanent employees not having the time and physical resources to engage in additional projects
2. A need for a specialist with a specific set of skills which cannot be found within the organisation

In the first case, the company may receive a project with a very tight deadline from one of their clients, however, their regular employees would be currently working on other projects, therefore they would be facing a situation in which there is no one to engage with the new additional task that is requiring a certain number of working hours. Therefore, employing an independent professional on a short-term basis could be the best solution in terms of completing the project on time.

In the second case, the company can receive an order for a project that would require a specialist with a very specific and unique set of skills to work on it, with the supply of such professionals being extremely scarce on the local labour market. Therefore, the management might often be forced to search for the needed skills abroad, and in the case of ISsoft they often choose to contract freelancers from Russia or Ukraine. Besides, if they need a professional with this specific set of skills only on a one-time basis, it is not financially feasible to employ them permanently, therefore hiring an independent contractor is their best solution cost-wise.

The interviewee, however, has stated that even though contingent workers can be a good solution in the above-mentioned situations, their company still gives the first priority to hiring permanent workers, and only in the case of emergency and inability of regular workers to perform a specific task, they would potentially use freelancers' services.

One of the main reasons for the management's low willingness to engage freelancers in their day-to-day activities is lack of trust towards them and potentially high financial risks. The interviewee has described several situations in which a hired freelancer would disappear and would stop keeping in touch in the middle of a project, even despite a mutual contract being signed. This kind of situations can lead to ISsoft suffering significant financial losses due to penalties from clients for failure to comply with the deadlines. Besides, if the contract-provider has certain tools to ensure the quality of the work carried out by the freelancer (such as quality control systems, revision by regular employees etc.), the tools to control their overall working process as well as compliance with the deadlines are lacking. Therefore, there is no way for the management to make sure that the contracted freelancers wouldn't quit at a certain stage of the project, putting the company at the risk of sanctions. Furthermore, due to freelancers often working from abroad, there is almost no possibility for the company to take legal action against them in the case of delays or other problems, which makes working with contingent workers of this kind a rather risky activity, especially for big multinational companies which usually have tighter deadlines and greater responsibility for the big clients (unlike in the case of small enterprises or start-ups).

Overall, from the example of ISsoft it can be concluded that large international companies can be quite reluctant to employing freelancers as such, especially when it comes to their core business activities. This cautiousness and unwillingness to employ contingent workers usually stems from lack of control mechanisms and high financial risks in the case if a freelancer suddenly withdraws from an assignment. However, such large companies as ISsoft are still willing to employ contingent workers such as local outsourcers or contract enterprises for their secondary activities due to the convenience and cost-cutting potential of this solution.

It is also important to mention that the model ISsoft has chosen when dealing with contingent workers aligns with Atkinson's "Flexible Firm Model" mentioned in the theoretical part of the paper: they are putting the main emphasis on their regular workers who are highly skilled and are therefore performing the company's core operational activities (such as IT product development), whereas contingent employees are seen as periphery workers and are usually hired for secondary activities, necessary for the overall functioning of the company (such as office maintenance and food supply), that are less crucial than the previously mentioned core functions.

When it comes to motivating contingent employees, and those from the younger generation in particular, the potential tools that companies could use are extremely limited. In the case of ISsoft the only tool they use to motivate independent contractors is providing them with adequate pay, which has previously shown to have a positive effect on the contingent workers' motivation and performance. Another tool that the management is using to encourage productive partnership with the hired freelancers is fulfilling all the financial obligations on time; ISsoft has over time built a reputation of a responsible enterprise, therefore freelancers are not only attracted by the good pay but also by the fact that they will always be paid on time and in the right amount due to the positive company profile. If a specific contingent employee is working at the company's head office, a pleasant working environment and the overall corporate climate could be another way to stimulate their productivity, however, due to the often remote nature of contingent work, financial means are still the most widely used and the most effective motivational tool for this specific type of employment.

From the experience of the interviewee, dealing with young employees does require a specific approach, since they can often be less experienced than their older counterparts and might be less willing to engage in teamwork. Besides, they can be less open-minded towards others' ideas, which is, again, due to the lack of experience and lack of understanding of the way large multinational companies work. Therefore, it is extremely important to engage young employees in team working activities with older, more experienced workers, so that they can learn and gain the essential field-specific knowledge and skills. Young people tend to be more ambitious too, so at ISsoft one of the main motivational tools the management uses to stimulate young workers' productivity is providing them with growth opportunities, responsibilities and all the necessary training.

However, the interviewee has claimed that all these methods are only applicable to the regular young workers that are a permanent part of their in-office team, and when it comes to young contingent employees in particular, the abilities for providing them with team work, development opportunities and training are rather limited, thus stimulating them with financial means is the most feasible option.

Overall, when it comes to motivating young contingent employees, the results of the interview are well aligned with the results of the previously conducted survey. It was concluded from the quantitative

survey greater income is the single most important motivating factor for the youth, with a greater majority of respondents from all age and educational groups considering it as important, whereas such factors as team work and feedback, contrary to the traditional belief, have shown to be of a much smaller importance. The interview with an industry expert has also confirmed that large enterprises use financial means as their only motivational tool for young contingent employees, which further confirms the fact that greater pay is the single most effective motivational tool in contingent workplace setting.

When it comes to the financial implications for firms using greater pay as their primary motivational tool for motivating young contingent employees, enterprises do need to possess certain financial means in order to be able to provide their freelancers and temporary employees with a satisfactory salary level. In that sense, large multinational companies, as in the case of the interviewee, would be more prone to affording the use of this motivational tool at a wide scale. Besides, the financial cost of contracting a freelancer or a temporary employee would highly depend on their qualification level: those that are highly qualified and that are providing a unique set of skills often enough might ask for a greater level of pay than the average permanent employees on the market.

On the other hand, however, contingent workers are often seen as one of the ways for companies to cut their operational costs, due to greater flexibility, lower bureaucratic burden and ability to employ professionals with a specific set of skills on a by-project basis. Therefore, if in the short term employing highly-skilled contingent workers and providing them with the desired level of pay might require additional financing from the enterprise, in the long term focusing permanent employees on the core business activities and contracting contingent workers for the secondary corporate functions (process of peripherisation) would allow to achieve greater flexibility, efficiency and would ultimately allow to cut operational costs.

Conclusions

By analysing the views of the youth as well as the experience of an industry professional by the means of a quantitative survey and a qualitative interview, as well as by assessing the existing academic literature and statistical data regarding contingent employment and particularities of managing the youth at the workplace, the paper has outlined the key motivational tools that could be used for motivating the youth at a contingent workplace, as well as their overall attitude towards contingent work and willingness to pursue it as a career prospect.

Throughout the research, it was crucial to assess whether the conclusions made from conducting qualitative and quantitative research would align with the traditional motivational theories and characteristics of young employees described in the theoretical chapter. The traditional theories are various, with some of them highlighting the crucial role of satisfying the employees' needs and professional aspirations, by the means of job enrichment, for instance, as in the case of Vroom's Expectation theory. The importance of satisfying the employees' needs is further highlighted by the analysis of the youth as a specific demographic group within the labour force. It has been previously stated that millennials can be characterised as more technologically savvy, result-oriented and creative than their predecessors, therefore finding a specific approach towards them, rather than imposing strict hierarchy, is key. In fact, previous research has concluded that young people would perform better if engaged in teamwork activities and if provided with greater responsibility and ability to participate in the company's decision-making process, which does align with conclusions made by Herzberg and Vroom in their motivational theories.

However, it is crucial to mention that when it comes to young employees on contingent positions in particular, the situation differs drastically. The quantitative survey conducted in the primary data analysis chapter has clearly shown that financial means, or in other words greater pay, is the single most important motivator for the youth, if they were to work on a contingent position. Such factors as teamwork and feedback have demonstrated to be of a less importance to the respondents, even though these tools are usually seen as the most effective ones when it comes to motivating young employees on regular positions. Besides, from the qualitative interview with an industry expert it was also concluded that large companies see greater pay as the most effective and in fact the only possible way of motivating freelancers and other contingent employees. This further confirms the fact that the traditional motivational theories and approaches used when motivating the youth on regular positions do not apply to contingent workers. One of the main reasons for that could potentially be the nature of contingent employment itself: it often takes place remotely and employees are not integrated into the

company's wider team, therefore the tools for motivating them are rather lacking. Besides, young people themselves have different expectations of contingent work: even though the key reasons why they would choose it as a career path are greater flexibility and work-life balance, when it comes to motivation, they see adequate pay as the most significant factor.

Therefore, when dealing with contingent employees, traditional motivational theories and approaches have shown to have little relevance and as a result potential managers and contract providers should consider adequate salary as their key tool towards motivating contingent employees to produce greater output.

When it comes to the overall attitudes of the youth regarding contingent employment and their willingness to pursue it as a career path, the issue is more complex. From the statistical data analysis conducted by the means of correlation analysis, it was concluded that contingent employment has seen a rapid rise across Europe since the beginning of the century and this positive trend is expected to continue in the future. However, from the reviewed data it was clear that the EU member states often have significant differences in terms of the share of contingent employees and it was also crucial to distinguish between the two main forms of contingent work: freelancing and temporary employment. Freelancing has demonstrated a more dynamic growth pattern than temporary employment, with the share of the latter relative to the total labour force has been stagnant in most of the European states during the past 10 years.

When analysing the trends in terms of the share of temporary workers, no single factor that could explain the differences between the EU states was outlined, however, such factors as youth unemployment and unemployment overall have shown to have a certain effect on the popularity of temporary employment in a country. When it comes to freelancing, which is another prominent type of contingent work, the reasons for its popularity in certain European states were slightly more obvious: the share of freelancers from the total labour force strongly correlates with the size of the service industry in a given country, as well as with the mean wages on the labour market.

Overall, contingent work (in the form of temporary employment and to even a greater extent in the form of freelancing) has demonstrated a strong growth in popularity in the past years which is explained by a large set of economic and demographic factors, however the willingness of the youth to pursue it as a career is still relatively low compared to the traditional types of employment. As concluded from the quantitative survey, only a slight majority of young people has considered contingent employment as their potential career path, with quite a substantial percent of them still being rather hesitant about it. Besides, significant differences between the studied age groups appeared as well: older groups of respondents (those aged 30-35) have shown much greater interest in contingent employment than the younger ones (those aged 18-25). There could be several potential explanations

to this phenomenon, with one of them being the overall social stigma towards contingent employment that was described in the previous chapters. In many societies contingent workers are seen as less qualified than the regular professionals, therefore it might potentially create employment difficulties in the future, which could explain the high levels of scepticism among the youngest group of respondents. The fact that the older age group within the millennial population is less sceptical, however, could in turn be explained by the fact that by the age of 30-35 they might have already tried different types of employment arrangements (both regular and contingent) and are therefore more inclined towards the idea of perusing contingent work as a potential career choice. However, further research is needed to establish the specific factors that could potentially explain the above-mentioned differences between the different age groups.

Overall, the successful use of qualitative and quantitative data collection methods, as well as the analysis of existing scientific literature and statistical data, has allowed to make the two key conclusions that directly correspond to the aim of the research:

1. Young people are the driving force of the modern contingent employment that has seen a substantial growth during the past two decades, however, the youth is still relatively sceptical about pursuing contingent employment as their career prospect (with some age sub-groups being more optimistic about it than the others).
2. Higher income is seen as the single most effective motivational tool within the contingent employment setting by both the youth and the potential employers.
3. Having a written contract or another form of security is also an important motivator for certain groups of young people (based on their country of residence, educational background and occupational status), since they are increasingly looking for job security and income stability in contingent employment settings.

However, further research is needed to analyse these specific trends and conclusions, which could be done by the means of a quantitative survey with a substantially larger sample size and additional in-depth interviews with professionals from different industries and countries, in order to outline more systemic trends and regarding the views of both the youth and the potential employers .

Recommendations

Based on the theoretical, statistical and primary data analysis conducted in the research, the following recommendations to companies dealing with young contingent employees can be given:

1. Providing young contingent employees with a higher level of pay was shown to have the greatest potential effect on their motivation and often enough is the only tool that contract-providers could use for motivating freelancers and temporary workers. This motivational instrument is particularly applicable to large multinational enterprises (as in the case of the previously interviewed expert) that possess the essential financial means to be able to afford paying independent professionals more, thus attracting and motivating them. Besides, this particular tool should also be used when a contingent worker is conducting their task remotely, since in that case such traditional measures as teamwork, feedback and communication are either not as effective or even not possible to implement at all.

2. If a freelancer or a temporary employee is being engaged on an in-office position, the set of motivational measures that both small and large enterprises could use is quite different. Apart from providing them with adequate salary, which should be the main motivational tool for young contingent employees due to their specific financial expectations from contingent work, such tools as feedback, teamwork and communication could also be relevant. Besides, if the contingent worker is part of the office team, providing them with essential training, performance benefits and overall welcoming corporate culture would have a positive effect on their performance and motivation.

3. Since there are certain risks associated with contracting contingent employees (and freelancers in particular), companies should take certain precautionary measures in order to avoid fraudulent situations and potential financial losses when dealing with contingent workers. As already stated before, providing the specific category of contingent workers working remotely with greater income does not always protect the contract provider from a sudden withdrawal of the freelancer from a task as well as from missed deadlines. Therefore, it is crucial that companies, especially larger ones with potentially greater financial risks in the case of delayed projects, have specific contacts and agreements with the freelancers in place. Besides, for certain categories of contingent workers (depending on their educational sphere, age and country of residence), having a written contract or another form of security could be a significant motivator as well, since many of them are often

looking for secure work, thus expecting to have a stable source of income. In order to limit potential financial risks, large enterprises could also choose to work with local freelancers or with the ones that operate in the form of a legal entity, which would allow them to take legal action against the stated contingent workers if problems arise in the process of their co-operation.

4. When dealing with young contingent workers in particular, companies should also pay more attention towards educating and training them since they often demonstrate lack of industry-specific knowledge and experience. Besides, it is crucial to engage young contingent employees in teamwork assignments and projects, for them to develop a greater sense of open-mindedness and higher willingness to collaborate. It is also crucial to provide them with the essential growth opportunities and challenges to keep them motivated. However, these approaches would only have the desired motivational effect for freelancers and temporary workers that are part of the company's in-office team and are not working remotely. For remote contingent workers, greater pay should still be the universal motivational tool.

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Appendices

Appendix 1. Interviewee's profile

Education:

- Bachelor's Degree in Economics and Enterprise management at Tashkent University of Economics
- Master's of Business Administration at European Humanities University, Minsk

Working experience:

- General Manager at Malp (cosmetics distribution) for 11 years
- Deputy CEO at ISsoft Solutions (IT product development) from 2012 to present

Appendix 2. Transcript of the qualitative in-depth interview (translated from Russian):

Research author- IN

Interviewee- X

IN: Good afternoon! Thank you for agreeing to conduct this interview for my research.

X: Good afternoon!

IN: Could you please provide me with a short description of your company: the sector you are operating in, the number of employees etc.

X: I am working at ISsoft Solutions, which is one of the largest IT enterprises in Belarus. We are currently employing more than 1500 specialists. Our main headquarters is in Minneapolis, USA, however in Minsk we operate our largest IT development centre. We are developing a large variety of services and IT products mainly for the markets of the US and Europe.

IN: And could you please describe your position within the company as well?

X: I am a deputy CEO and I'm usually dealing with a wide range of general issues related to our business operations.

IN: Do you use services of contingent workers (freelancers, for instance) for outsourcing some of the functions of your enterprise?

X: Yes, we do often use the services of independent contractors for such purposes as office reconstruction and maintenance, cleaning, food supply etc. Another example of our cooperation with

freelancers could be in a situation where we need to develop a new website, for instance. In that case we can potentially need 50 working hours to create a functioning website and we do employ such professionals and front-end developers, mixers and others that could deal with this kind of tasks. However, often enough they are busy with their other day-to-day functions, therefore we have to search for additional workers from outside the company. Since it is neither financially viable nor practical to employ a permanent employee for the creation of a website, we often look for the so-called freelancers to conduct such tasks on a one-time basis.

We are also often dealing with situations in which we require specialists with a very specific skill, such as big data or AI specialists for instance, and we are not even able to find them within Belarus. Therefore, we need to hire them somewhere abroad: in Ukraine or Russia for instance. Therefore, this specialist would be working on a regular position in their home country and would at the same time assist us during their free time on a contract basis. This kind of situations don't happen very often but sometimes when our client needs a product to be developed in a very short period of time we do indeed use services of such specialists.

IN: what are the primary criteria that you use when hiring an independent contractor?

X: Usually we sort outsources and freelancers according to the qualification level and price ratio. It is also crucial for us to make sure that all the tasks will be delivered on time, therefore we do pay a lot of attention to their sense of responsibility and the amount of time they would need for completing a project.

IN: Do you see any advantages that contingent employees could have in comparison to the regular ones?

X: Even though freelancers do have their own advantages and sometimes help us to deal with certain situations and problems, we still most definitely prefer to hire full-time employees, especially when it comes to our core competencies (such as IT product development). We hire freelancers either in cases described above or for the tasks that are not related to our core business operations(which could be office maintenance, construction etc.).

IN: What are the key tools that you use in order to motivate the freelancers that you hire?

X: We motivate them exclusively with providing them with an adequate amount of pay for their inputs as well as fulfilling all of our obligations and making the salary payments on time. Unfortunately, there are no other tools for effectively motivating them rather than by financial means, which is generally quite effective.

IN: Are there any tools that you use in order to make sure that the work done by freelancers is of good quality?

X: We obtain a wide variety of quality control protocols and software. For instance, we can ask our own full-time employees to test the products developed by the freelancers in order to assess the potential errors and mistakes done by the contingent worker. We also create a specific schedule of work for the freelancer, where the assignment is split into several stages and after completing each stage the freelancer's work is being check and reviewed for quality purposes. Therefore, before releasing the product, we always conduct specific stress tests in order to make sure that the quality of the work is acceptable.

IN: What measures do you take in order to retain contingent workers within the company?

X: As in the case with motivation, we aim at retaining them almost exclusively by the salary level, and sometimes by the various social packages, as well as by the microclimate within the company (if the contingent worker is based at our office).

IN: From your experience, did you have to look for a specific approach when dealing with young contingent employees or young employees in general?

X: Yes, of course. First of all, young workers often tend to have less experience than the older ones and therefore they have less teamwork experience as well. This often comes from the fact that they usually have greater ambitions and maybe more energy, that is why it can be sometimes difficult for them to work on specific projects in diverse and cross-specialty teams.

We often have specific projects where specialists from different fields of IT and with different sets of skills are required to work together to create a specific product but often enough young people tend to be more individualistic and therefore not always understanding that all the business processes within a company are highly interconnected.

Older, more experienced workers also tend to be more understanding and open-minded towards the opinions and knowledge of the others, whereas the younger ones often enough refuse to listen to the others' opinions. Sometimes they are providing great ideas and some unique solutions, but unfortunately due to their young age and lack of experience, they do not take the advices of other workers seriously.

When it comes to programming and IT in particular, it is natural for young people to have much less experience, especially right after graduating from a university, thus needing more training and advice from their older peers. Therefore, it is extremely important to create teams where young and unexperienced workers would work together with the older ones and therefore would learn and gain valuable experience from working with the more experienced professionals.

IN: Are there any unique tools that you use for motivating young professionals specifically?

X: Usually we motivate them with growth and development opportunities within the company as well as by providing them with an opportunity to learn more about IT product development and to become experienced professionals in their field.

However, this approach doesn't really apply to young contingent workers since the only motivational tools that we could use to motivate them is money.

IN: Have you had any problems when dealing with young contingent employees in the past?

X: In my experience there is quite a significant difference between outsourcers or contractors (those that operate in the form of a legal entity) and freelancers as such. For instance, there can potentially be a situation in which we get a very tight deadline from our client and we need our work to be done quickly, otherwise we would have to pay a penalty for not having our work done on time. If, for instance, a local outsourcer or a contractor delays the delivery of our work, we can go to court and take legal action against them and as a result they would have to compensate our costs involved when our project is delayed. In the case of a freelancer it can be more complicated: they can provide services to us remotely from any part of the world, therefore if delays occur it would be almost impossible to sue them in local court. We often had situations in which the freelancer we were working with would just disappear and wouldn't reply to any of our messages and calls and there wasn't much that we could do about that.

So, when it comes to recruiting freelancers, it can be a great choice for small companies and startups where they don't have the financial means to permanently hire highly skilled workers. Besides, when a problem with a freelancer occurs, as described above, the financial losses those companies would have to incur would be much lower than those of a big enterprise with greater corporate responsibility and tighter deadlines. For instance, we, as a big company, are working with large American enterprises and we have big contracts with them which are specifically stating the penalties if we do not fulfill our obligations on time, and sometimes those penalties can amount to millions of dollars. Therefore, for us it is not always viable to take the risk and work with freelancers in this kind of situation due to lack of security and lack of tools of controlling their working process.

IN: Do you think that there could be any possible shift in terms of contingent employment in the future? Would the global COVID 19 pandemic have any effect on that?

X: Yes, the coronavirus pandemic is definitely going to affect the way we work with freelancers and outsourcers. For instance, currently our entire staff has a possibility to work remotely, however those tired of working from home and willing to come to the office can still do so. And we are expecting that even after the pandemic, around 30-40% of employees will keep working remotely. And when someone is working from home we can't directly control where and how they are working. For instance, we have recently relocated 30 of our workers to Ukraine, but eventually half of them left to

other European countries without officially informing us. So, technically they are still our employees and we pay them their salaries, but we cannot control their working process since they can work from any part of their work. Therefore, this form of work is becoming more and more similar to freelancing.

So, in the future we are planning to rebuild our central office in Minsk for the changing needs of our workers. We want to transform some of the floors with permanent working places into a more flexible space, something more similar to a coworking so that those working remotely can come to the office from time to time and work in this common working space without the need of having their own dedicated workplace.

IN: This is all from my side. Thank you for taking time to answer my questions

X: Thank you.

Appendix 3. List of quantitative survey questions

1. Please identify your age group

- a) 18-25 b) 26- 30 c) 31-35

2. Please identify your country of residence

- a) Austria
- b) Belgium
- c) Bulgaria
- d) Croatia
- e) Republic of Cyprus
- f) Czech Republic
- g) Denmark
- h) Estonia
- i) Finland
- j) France
- k) Germany
- l) Greece
- m) Hungary
- n) Ireland
- o) Italy
- p) Latvia
- q) Lithuania
- r) Luxembourg
- s) Malta
- t) Netherlands
- u) Poland

- v) Portugal
- w) Romania
- x) Slovakia
- y) Slovenia
- z) Spain
- aa) Sweden
- bb) UK
- cc) Switzerland
- dd) Norway
- ee) Iceland

3. Please identify your occupation

- a) University student b) Graduated recently

4. Please identify your field of study

- a) Business/ Economics/ Management b) Law c) Medicine
- d) Natural sciences (Biology, Physics, Mathematics)
- e) History and philosophy
- f) Psychology/ Education
- g) Art
- h) Other

5. Please rate these factors when choosing a job or a professional field according to their importance

- a) Salary
- b) Flexible working time
- c) Ability to work from home or remotely
- d) Informal working environment, creative office setting
- e) Clear chain of command and workplace hierarchy
- f) Ability to participate in the company's decision-making process
- g) Corporate growth opportunities

6. Have you considered contingent employment (freelancing/ temporary employment) as a potential career prospect?

- a) Yes b) No c) Maybe

7. If your answer was yes, then what factors attracted you towards contingent work??

- a) Flexible working time
- b) Ability to work remotely
- c) Work/Life balance
- d) Ability to combine studies and work
- e) Easy accessibility of freelancing
- f) Financial opportunities
- g) No need for forming an employment relationship/ liability with the employer
- h) Being able to change the field of work easily
- i) Other

8. If your answer was no, then what factors made you not consider contingent employment as a career path?

- a) Haven't heard of such type of employment
- b) Low potential income (salary)
- c) Lack of growth opportunities
- d) Having to pay taxes yourself / greater responsibility
- e) Lack of job security
- f) Lack of communication (with potential co-workers on a regular job)
- g) Lack of stability (having to search for work and assignments yourself)

9. If you were to work in freelance or on a temporary position, which of the factors could motivate you to produce greater output?

- a) Greater income
- b) Pressure from the contract provider
- c) Bonuses and rewards from contract-providers
- d) Team work opportunities
- e) Keeping a constant contact with the contract-provider
- f) Having a written contract or other form of security with the contract provider
- g) Receiving feedback from contract-providers
- h) Other

10. If you were to work in freelance or on a temporary position, which of the factors would discourage you from producing greater output?

- a) Delayed or missed payments from contract-providers (fraud schemes)
- b) Being underpaid/undervalued
- c) Pressure and overly-demanding contract provider
- d) Lack of communication with the contract-providers
- e) Lack of team work

