Freelancers: A Manager’s Perspective on the Phenomenon

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The current research is set to explore the motivations of managers to hire freelancers, a rapidly growing form of employment, and the boundary conditions for choosing freelancers for different positions and tasks within the organization. The main proposition is that managers today consider freelancers as agents that bring valuable knowledge and expertise into the organization from outside. To that end, 255 Israeli managers from different organizational sectors participated in two consecutive studies. In Study 1, managers’ perceptions of freelancers and main motivations for employing freelancers were quantitatively measured against different job types and organizational roles. Study 2 aimed to deepen the understanding of the personal and professional attributes that managers look for in freelancer employment, using a qualitative approach. Implications of the changing nature of employment arrangements as a strategic HRM activity in a complex and unstable business environment are discussed.

ABSTRACT

Freelancers: una perspectiva de los managers sobre este fenómeno

Palabras clave:

Freelancers
Acuerdos laborales
Carreras profesionales
Métodos mixtos
Perspectiva empresarial

RESUMEN

Esta investigación tiene como objetivo explorar las motivaciones de los managers para contratar freelancers, una forma de empleo en rápido crecimiento, y las condiciones límite para elegir freelancers para diferentes puestos y tareas dentro de la organización. La principal proposición es que los managers hoy en día consideran a los freelancers como agentes que aportan valiosos conocimientos y experiencia a la organización desde el exterior. Para ello, 255 directivos israelíes de diferentes sectores empresariales participaron en dos estudios consecutivos. En el estudio 1, se midió cuantitativamente en diferentes tipos de trabajo y roles organizacionales la percepción de los gerentes de los freelancers y las principales motivaciones para el empleo de los mismos. El estudio 2 se dirigió a profundizar en la comprensión de los atributos personales y profesionales que los managers buscan en el empleo freelance utilizando un enfoque cualitativo. Se comentan las implicaciones de la naturaleza cambiante de estos acuerdos de trabajo como actividad estratégica de la dirección de recursos humanos en un entorno empresarial complejo e inestable.

The landscape of labor markets is changing. A dynamic environment, globalization, growing competition, and demographic and technological advancements are all affecting work arrangements in organizations. As part of the need to cope with a complex and unstable environment, organizations are moving from traditional human resources practices to strategic human resources management (SHRM) aimed at maximizing the benefits from human capital resources. In this vein, employment arrangements are shifting away from full-time regular work towards alternative work arrangements such as independent contracting (Cappelli & Keller, 2013; Collings & Mellahi, 2009; Ulrich & Dulebohn, 2015).

The current research focuses on a rapidly growing and prevalent form of independent contracting, namely freelancing. Among the various ways of describing freelancers (see below), a recent independent study of freelancers portrayed them as “individuals who have engaged in supplemental, temporary, or project- or contract-based work” (Freelancers Union, 2017, p. 3). Although somewhat neglected in the research literature (Barley, Bechky & Milliken, 2017; Fenwick, 2006; Kitching & Smallbone, 2012), one can discern an awakening interest in this freelancing working community among academics. As we shall see, the recent surge of various forms of self-employment represents but one reflection of the above-mentioned changes in the modern workplace in developed western societies. Thus, recent attention has been given to the possible motivations (Barley & Kun-da, 2006; Lo Presti, Pluviano, & Briscoe, 2018; Miller & Miller, 2012) and the advantages (and disadvantages) attending those who opt for any of the various options that fall under the category of self-employed or freelance workers (Poon, 2018). In this paper, however, we
explore freelancing employment from an organizational perspective with particular emphasis on the motivations of managers to hire freelancers. We also aim to explore the boundary conditions for choosing freelancers for different posts and tasks within the organization. Our main assertion is that while temporary, contingent employees were employed in the past mainly at low-level positions in order to achieve organizational flexibility and cost reduction, managers today are more likely to employ freelancers in positions that require highly specialized talent, aimed at bringing knowledge and innovation into the organization from outside, and at helping companies become more proactive in handling changes and uncertainties (Poon, 2018).

The Rise of Freelancers

Generally speaking, the definition of freelancing is rather broad, sometimes unclear. Beyond the definition cited above, freelancers may be referred to as ‘contract workers’, ‘own account workers’, ‘portfolio workers’ or ‘contingent workers’. A study by the McKinsey Global Institute (MGI) depicted independent workers as “people who possess a high degree of autonomy at work, receive payment by assignment or sales, have a contract of fewer than 12 months (if there is one), and have only a short-term relationship with their clients” (MGI, 2016, as cited in Poon, 2018). For our purposes, we adopt a rather wide definition of freelancing following Kitching and Smallbone (2012), namely, these independent workers are “self-employed employees working on their own account, with a client base of organizational and personal clients, with contracts of any duration, working freelance in either primary or secondary work roles” (p. 77). Hence, as independent contractors, freelancers are not employees; they contract directly with clients and specify work outcomes in contracts. They are typically hired on a temporary project basis and may work for multiple clients simultaneously.

According to a recent report by the US Bureau of Labor Statistics – Freelancers in the U.S. Workforce (Horowitz, 2015) – more than 53 million Americans, or one-in-three workers, are now earning income from work that is not a traditional 9-to-5 job, a statistic backed up by similar investigations (Berland, 2014; Freelancers Union in the US and MGI Survey, as cited in Poon, 2018). This trend is also prevalent in other parts of the world (Cappelli & Keller, 2013), notably, in the European Union, where no less than 30.6 million people were self-employed during 2016 (Eurostat, 2017), accounting for 14% of the total workforce in Europe. Indeed, the US Freelancers Union projects that in 10 years’ time the majority of employees in the US will be freelancing (Freelancers Union, 2017).

There are different types of freelancers, and the vast majority of them combine freelancing with other employment forms. Based on a survey of more than 5,000 US workers, about 40% of freelancers are traditional independent contractors, 27% are ‘moonlighters’ – professionals with a traditional job that do freelancing outside of work hours –, 18% are diversified workers with multiple sources of income, 10% are temporary workers with a single project–based job, and 5% are business owners of small businesses that still consider themselves freelancers (Berland, 2014).

Traditional Perceptions of Freelancers

The popular and traditional view of temporary employees was, until recently, that they are replacements for full-time employees. Freelancing was traditionally perceived as providing organizations with efficient and competitive employment solutions, especially during business downturns. More recently, online labor markets globalized and made freelancing more accessible to both organizations and employees. Still, freelancers were still perceived by organizations mainly as effective for low-skilled, temporary, non-specialized tasks; for example, performing transportation tasks (Uber, Lyft), running errands (Postmates), providing home services (Task-Rabbit, Handy), and clerical work (De Stefano, 2015; Friedman, 2014).

In this context, different types of contingent workers (freelancers included) were perceived as an ‘underclass’, as ‘second class’ citizens, or as low-skilled employees in the worker pool within the organization. Moreover, due to their temporary status, none of them could qualify as talents (see below) (Boswell et al., 2012; Burke, 2015; Friedman, 2014). For example, following in-depth interviews with managers in three different organizations, Von Hippel, Mangum, Greenberger, Heneman, and Skoglund (1997) reported that although temporary workers were employed frequently in all three concerns, managers had negative perceptions about temporary workers and major reservations about these hires. Moreover, contingent employees have also been perceived as a temporary workforce that competes with the permanent employees for jobs.

Nevertheless, as reported by Von Hippel et al. (1997), organizations usually contracted temporary employees to save costs, to increase flexibility within the organization in the wake of fluctuations in demand, and to avoid restrictions, such as unions and labor protection laws. In some instances, due to adverse circumstances, these temporary workers were often forced to be freelancers (Burke, 2015; Granger, Stanworth, & Stanworth, 1995; Von Hippel et al., 1997).

Recent years have witnessed a major development, specifically of the online labor markets such as Amazon Mechanical Turk (AMT), Freelancer.com, and Upwork. Much of the increase in the establishment and growth of these alternative work arrangements is associated with the technological changes that make it so much easier to contract online than in the past (Katz & Krueger, 2017). These markets offer a pool of workers who perform diverse tasks from anywhere, anytime, thus strengthening arguments for low cost and flexibility as main reasons to employ freelancers.

Yet managers also have good reasons to avoid freelancers. Besides the competitive edge that online labor markets may have over more traditional business concerns, critics claim that these new markets are no less than ‘modern sweatshops’ where employees are abused due to the unregulated employment setting (Caverlee, 2013; Chandler, Paolacci, & Mueller, 2013; Zittrain, 2009). They note the relatively poor quality of work of online labor market freelancers because the latter choose to complete as many tasks as possible with the least amount of effort. Also, given that online labor market freelancers are assigned jobs generally poorly communicated and broken down into small tasks, the tasks are often misrepresented and poorly completed (Caverlee, 2013; Chandler et al., 2013). Unsatisfactory, low-levels of compensation have also been cited as a main threat by drawing workers from low-income countries, which brings down payment levels globally (Ross, Irani, Silberman, Zaldivar, & Tomlinson, 2010).

The employment of part-time and temporary workers creates other problems for potential contractors, such as the extent of the freelancers’ loyalty to the company and the extent of ‘fit’ of these workers to the workplace. Thus, employers in the new era of freelancers will not only need to modify attitudes and handling of work relationships, but will also need to adjust the theoretical frameworks used to understand them (Chernyak-Hai & Rabenu, 2018).

New and Contemporary Perceptions of Freelancers

Notwithstanding the arguments for and against hiring freelancers, a new breed of talented freelancers (“talents”) has evolved in recent years, also described by Davenport (2013) as “knowledge workers”. They comprise highly skilled and specialized human capital individuals, who often earn significantly more than equivalent full-time employees. These top freelancers are involved in projects calling for innovation, strategy, change management, and technological development (Burke, 2015). They neither bring cost reduction nor serve as temporary replacement for full-time employees. They are
called to the organization for their rare knowledge and expertise, and are accordingly well rewarded.

Thus, on the one hand, there are contingent workers working as a secondary market with no stability, low wages, and low security and, on the other hand, there are the contingent workers, “the heroes and heroines of post industrialism”, who are part of a “libertarian anti-corporate rebellion” (Barley & Kunda, 2006, p. 47). The latter represent “a group of social pioneers who partook of a way of life, a culture of work that challenged the prevailing theories and reputed practices of contingent employment” (p. 45). These are individuals who choose freely to leave behind the organizational, corporate perspective (Barley & Kunda, 2006; Fenwick, 2006; Miller & Miller, 2012), and to become independent contractors to put their professional skills to work, the cream of which are described by Miller and Miller (2012) as ‘super-temps’, trained in top schools and working in big corporations. They prefer flexibility and control over their time, and they choose their projects accordingly. “They’re increasingly trusted by corporations to do mission-critical work... super-temps are growing in number and we think they’re on the verge of changing how business works” (Miller & Miller, 2012, p. 51).

It would appear that these observations concerning the advent of talents in the ever-changing work landscape should be paralleled by similar changes in the perception of freelancers. Freelancers can and should thus be redefined (at least in developed western societies) as agents that bring work methods and knowledge -- and professionalism (Lo Presti et al., 2018) -- into organizations from the outside. In the words of Burke (2015), “The most common depiction of freelancers as a relatively homogenous group of relatively low-price quality substitutes for employees is not only inaccurate but [also it is] misleading for public policy, people who might choose freelancing as a career, and businesses who might consider using freelancers” (p. 5).

However, is this view of high quality freelancers shared by all potential employers? It appears that this question of employers’ perceptions of freelancers as high level, specialized work classification has been insufficiently investigated until now. Indeed, Burke and Cowling (2015) argued that “a new research trajectory is required in order to provide a re-appraisal and generate a more in depth multi-dimensional understanding of the heterogeneity of both freelancers in the labor market and their functionality for businesses” (p. 5). In the current study, therefore, we chose to question the overriding argument that managers in organizations perceive freelancers as ‘gig workers’ filling in gaps and allowing flexibility and cost saving. Based on the above observations, we posit that a perceptual shift among employers has already taken place: managers currently hire freelancers for expertise and not for efficiency, for knowledge and not for flexibility, and for support of organizational strategy and not as a tactical ad-hoc solution.

Thus, in the current research we surveyed 255 Israeli managers from different organizational sectors in two independent studies. In Study 1, managers’ perceptions of freelancers and main motivations for employing freelancers were measured for different job types and organizational roles in the professions, to the exclusion of those concerns related to online market services whose tasks have little bearing on the need for advanced knowledge or expertise. Six types of organizational roles were investigated, namely, general-organizational, marketing or sales, core, peripheral, temporary project, and managerial. Managers were also queried on their willingness to compensate freelancers with the equivalent or higher compensation accruing to full-time employees for the same work performed within their organizations. Thus, based on our discussion and presumptions, we arrived at the following hypothesis:

**H1:** Knowledge and expertise will be identified by managers as the main motivation for hiring freelancers.

As such, based on H1, we, more specifically, predict the following:

- **a.** The greater the level of freelancers’ perceived knowledge and expertise, the higher managers’ willingness to employ freelancers and to pay them salaries comparable to or more than full-time employees expediting the same work.
- **b.** Freelancers of lower level knowledge and expertise than full-time employees will be less preferred by managers, even at significantly lower employment costs.
- **c.** This trend (freelancers selected for high knowledge and expertise positions with high compensation) will be effective across different organizational roles, except for management roles, which we expect managers will not prefer for freelancers.
- **d.** This trend (freelancers selected for high knowledge and expertise positions with high compensation) will be effective across different organizational roles, except for management roles, which we expect managers will not prefer for freelancers.

In Study 2 we were interested in deepening our understanding of the personal and professional attributes that managers look for when faced with the decision to employ a freelancer for an organizational task. Therefore, we returned to the same participants and presented them with open-ended questions concerning (a) their opinions on the growing number of freelancers in the market, (b) the critical characteristics that freelancers should possess in order to be hired, (c) appropriate characteristics needed in order to perform their jobs successfully, and (d) perceptions of the benefits in employing freelancers.

We hypothesized that managers are aware of the added value brought to organizations by freelancers, mainly in allowing access to expertise and knowledge that is not found within their existing organizational talent pool. Based on our discussion and presumptions, we arrived at the following hypothesis:

**H2:** Unique knowledge and expertise are baseline requirements for hiring a freelancer. Additional personal characteristics are essential so that the freelancer is able to connect to other employees.

### Study 1

**Method**

**Participants.** The data were collected from 255 Israeli managers in various areas of economy activity including hi-tech, commerce, services (e.g., financial), and education, among others; 79.2% of the respondents were men and 20.8% women. Their ages ranged from 30 to 60 years and above; their education mean was 17.17 years ($SD = 2.99$) and mean number of subordinates reporting to them was 23.41 ($SD = 17.99$).

**Procedure.** Explorative qualitative analysis was performed to identify personal characteristics that are perceived by managers as critical for a freelancer to be able to succeed in an organizational setting. Free-text, open ended questions allowed for a full and in-depth exploration of managers’ perceptions.

In order to answer the question of whether or not freelancers’ expertise is a baseline requirement for accepting them to work, we utilized a within- and between-subject mixed repeated measures design. The within-subjects effect consisted of four different conditions of the same questions’ matrix. The participants answered the questions relating to whether they would accept a freelancer to their organization and how much they would pay him/her compared to a regular employee. The participants answered these matrices with respect to the various conditions, as mentioned, in which the freelancer was perceived to have an expertise level, as follows: Condition 1, below that of a regular employee; Condition 2, equal to a regular employee; Condition 3, higher than that of a regular employee; and Condition 4, significantly higher than that of a regular employee. In addition, to gauge the between-subjects effect, we looked at different organizational roles ($1 =$ CEO, $2 =$ technological and marketing personnel, and $3 =$ administrative and operational personnel).

**Results**

**Readiness to hire a freelancer.** Our first analysis revealed that there is a significant difference between the four conditions – the four levels of freelancer expertise – concerning the principle of whether or not the respondents were willing to hire a freelancer. Based on those said
conditions: \( R(3, 732) = 63.96, p = 0.000, \eta^2_p = .21 \). However, the interaction between the conditions’ effect and the personnel groups’ effect (i.e., the organizational roles) was not significant: \( F(6, 732) = 2.39, p = .077, \eta^2_p = .02 \). We derive from these findings that while the found differences among the four conditions are not dependent on the organizational role, they are (statistically) equal across different roles. As such, employing Bonferroni’s post-hoc pairwise comparisons tests, we arrived at the differences among the conditions as shown in Table 1 and Figure 1.

### Table 1. Pairwise Comparisons for Readiness for Hiring a Freelancer

<table>
<thead>
<tr>
<th>Condition</th>
<th>Sig.</th>
<th>LL</th>
<th>UL</th>
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<tbody>
<tr>
<td>1 (M = 1.38, SD = 1.91)</td>
<td>2 (M = 0.43, SD = 0.85)</td>
<td>.000</td>
<td>0.62</td>
</tr>
<tr>
<td>3 (M = 0.69, SD = 0.81)</td>
<td>4 (M = 0.30, SD = 0.74)</td>
<td>.000</td>
<td>0.78</td>
</tr>
<tr>
<td>2 (M = 0.43, SD = 0.85)</td>
<td>3 (M = 0.69, SD = 0.81)</td>
<td>.238</td>
<td>-0.02</td>
</tr>
<tr>
<td>4 (M = 0.30, SD = 0.74)</td>
<td>.173</td>
<td>-0.15</td>
<td>0.18</td>
</tr>
<tr>
<td>3 (M = 0.69, SD = 0.81)</td>
<td>4 (M = 0.30, SD = 0.74)</td>
<td>.283</td>
<td>-0.20</td>
</tr>
</tbody>
</table>

Note. The scale of these answers is reversed, so that higher scores mean less readiness for hiring a freelancer, and vice versa. Conditions: 1 = below condition, 2 = equal, 3 = higher, 4 = significantly higher; CI = confidence interval; LL = lower limit; UL = upper limit.

As shown in Table 1, the only significant differences were obtained between Condition 1 (expertise “below”) and the other conditions. However, no such differences were found among conditions 2, 3 and 4. Figure 1 also shows these findings illustratively.

Figure 1 indicates that the greater the perceived expertise level of a freelancer, the higher the readiness to hire the candidate. Also, we see clearly a very drastic increase in readiness to hire a freelancer from Condition 1, as opposed to the other three conditions, but observe only very slight and non-significant differences among these latter conditions.

**Willingness to pay a freelancer.** Our further analyses focused on the willingness to pay the freelancer more or less than a regular employee, under the four conditions described above. We tested this notion against six potential organizational roles for which the freelancer could potentially be hired, as follows: (1) managerial role, (2) general-organizational role (e.g., logistics, bookkeeping, etc.), (3) marketing or sales roles, (4) professional-core role (e.g., software engineer in a software company), (5) professional-peripheral role (e.g., mechanical engineer in an electronics company), and (6) a role within a temporary project important to the organization. Subsequently, we tested the willingness to pay a freelancer for each role across the four conditions and, once again, we included the group factor (i.e., participants’ organizational roles: 1 = CEO, 2 = technological and marketing, 3 = administrative and operational) in the analyses.

Surprisingly, all of the six mixed repeated measures analyses produced the same trends. As such, we present one that we deem the most important, namely, the analysis pertaining to the core professional roles. This analysis revealed a significant difference between the four conditions regarding the principle of how much the participants (respondents) were willing to pay a freelancer, based on said conditions: \( R(3, 615) = 279.32, p = .000, \eta^2_p = .58 \). From the graph (Figure 2) it is easy to discern that (a) the high-level freelancer with significantly higher expertise is a far more attractive hire than those candidates with lesser credentials, and that (b) the greater the perceived expertise level of a freelancer, the higher the willingness to pay the freelancer more than a regular employee.

Employing Bonferroni’s post-hoc pairwise comparisons tests, we can also discern from these results – as indicated in Table 2 – that all the comparisons and differences were significant. Thus, notably, while we detect a very drastic increase in willingness to pay a freelancer from Condition 1 to the other conditions, there are between these latter three conditions minimal (although significant) differences, sliding up the scale of expertise.

However, the interaction between the conditions’ effect and the groups’ effect (i.e., organizational roles) was not significant: \( F(6, 615) = 2.18, p = .083, \eta^2_p = .03 \); they are (statistically) equal across the three different roles examined. The inference is that the differences among the four conditions are not dependent on the organizational role played by the hiring individual.
Table 2. Pairwise Comparisons for Willingness to Pay a Freelancer in Core Professional Roles in the Organization

<table>
<thead>
<tr>
<th>Condition</th>
<th>Condition</th>
<th>Sig</th>
<th>LL</th>
<th>UL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (M = 3.25, SD = 1.91)</td>
<td>2 (M = 5.51, SD = 1.70)</td>
<td>.000</td>
<td>-2.63</td>
<td>-1.87</td>
</tr>
<tr>
<td>3 (M = 6.07, SD = 1.71)</td>
<td>4 (M = 6.77, SD = 1.50)</td>
<td>.000</td>
<td>-1.58</td>
<td>-0.92</td>
</tr>
</tbody>
</table>

Note: Conditions: 1 = below condition, 2 = equal, 3 = higher, 4 = significantly higher; CI = confidence interval; LL = lower limit; UL = upper limit.

Further Criteria of Management’s Choice of Freelancer

The above results indicate a specific and interesting trend in the corporate workplace that supports our first hypothesis. They lend credence to the notion that managers recognize freelance talent and are prepared to pay for it. Moreover, the results indicate that a contract with a potential freelance worker will be most-likely based on the premise that the independent worker is on at least equal grounds with a regular employee in terms of expertise. We can clearly see the gap between Condition 1 and Conditions 2, 3, and 4 and it is thus obvious that having significantly higher expertise than a regular (full-time salaried) worker is vastly superior than under-matching the regular employee. While this is so, the results do not help us to explain why we see minimal changes between the various expertise levels (equal, higher, and significantly higher). This outcome indicates that perhaps there are more intricate criteria that come into play that we could not tap into with our current quantitative data. Consequent to this supposition, we embarked on Study 2, in which we employed a qualitative research paradigm, with the expectation that it would shed light on narratives that we could not uncover through quantitative means (see Shkolir, 2019).

Method

We returned to the same 255 participants of Study 1 and presented the respondents with four open-ended questions, namely:

Question 1. Which characteristics would benefit the freelancer in getting hired by the organization?

Question 2. Which characteristics would benefit the freelancer in being successful in the organization?

Question 3. Who benefits more from the freelancer phenomenon?

Question 4. How do you perceive the growing entrance/prevalence of freelancers into the work market (1 = very negative, 2 = somewhat negative, 3 = neutral, 4 = somewhat positive, 5 = very positive)?

The participants were asked to explain their response.

Results

Having collected the responses from the participants, we utilized the qualitative research approach to analyze the data and narrative information acquired, employing thematic analysis for each of the four questions respectively.

Thematic analysis for “characteristics to be hired”. The analysis revealed three main themes (and 15 total subthemes), with N = 484 answers from all the 255 participants (response rate = 82.56%).

A. Personal characteristics (7 subthemes; N = 231 answers, 48% of total answers):

1. Responsibility, reliability, and integrity.
2. Adjustability, adaptability, and integrability (to an organization/system).
3. Initiative, creativity, curiosity.
4. Conscientious, thorough, organized, well-scheduled.
5. Interpersonal skills – communication, interpersonal relations, and expressive ability.
6. Reputation, recommendations, and/or valid and proven experience.
7. Autonomy (in learning and working).

B. Work-relevant characteristics (8 subthemes; N = 249 answers, 51% of total answers):

8. Specific and unique knowledge, professionalism, and extra added-value.
9. Expertise and related skills.
12. Marketability and service-orientation.
13. Flexibility and availability.
14. Multitasking and the ability to work under stress.
15. Ability to work in/with teams.

C. (16) Same characteristics as regular employees (N = 4, 1% of total answers).

The relative proportion of each subtheme is presented in Figure 3.

Figure 3 reveals an unexpected and surprising finding. In addition to the centrality of unique and specific knowledge (subtheme 8; 13%) and reputation and experience (subtheme 6; 12%), the need for adjustability and adaptability (to an organization/system; subtheme 2) is higher by a large margin than all the rest of the desired attributes expressed by the respondents (22%). This finding was not uncovered in Study 1 that employed traditional quantitative methods. This indicates that hiring a freelancer does not rely exclusively on the reputation, expertise, or knowledge of the freelancer. A major contributing factor towards a successful contractual arrangement with a freelancer appears to be fluidity, the ability of the hired individual to adjust and integrate into the organization.

Thematic analysis for “characteristics of the freelancer in order to succeed in the organization”. The analysis revealed three main themes (and 15 total subthemes), with N = 511 answers from all the 255 participants (response rate = 81.40%).

A. Personal characteristics (7 subthemes; N = 271 answers, 53% of total answers):

1. Responsibility, reliability, and integrity.
2. Adjustability, adaptability, and integrability (to an organization/system).
3. Initiative, creativity, curiosity.
4. Conscientious, thorough, organized, well-scheduled.
5. Interpersonal skills – communication, interpersonal relations, and expressive ability.
6. Reputation, recommendations, and/or valid and proven experience.
7. Autonomy (in learning and working).

B. Work-relevant characteristics (8 subthemes; N = 235 answers, 46% of total answers):
8. Specific and unique knowledge, professionalism, and extra added-value.
9. Expertise and related skills.
12. Marketability and service-orientation.
13. Flexibility and availability.
14. Multitasking and the ability to work under stress.
15. Ability to work in/with teams.

C. (16) Same characteristics as regular employees (N = 5, 1% of total answers).

The relative proportion of each subtheme is presented in Figure 4.

Figure 4 indicates that after considering hiring a freelancer, the participants in the survey consider that the freelance candidate would need to have an abundance of expertise and related skills (subtheme 9; 18%) over and above other attributes. They emphasize, however, that the freelance candidate would need to have strong interpersonal skills, communication and relations, and expressive abilities (subtheme 5; 12%). This finding aligns with the results of the former analysis, namely, that expertise alone does not suffice for the freelancer.

Thematic analysis for “contribution of the freelancer phenomenon”. The analysis revealed four main themes (and 10 total subthemes), with N = 328 answers from all the 255 participants (response rate = 72.09%):

A. Positive contribution to the organization (3 subthemes; N = 195 answers, 60% of total answers):
1. Unique added value, knowledge expertise, and experience.
3. Financial/cost-efficient as opposed to hiring a new employee.

B. Negative “contribution” to the organization (3 subthemes; N = 42 answers, 13% of total answers):
4. External-dependence, the organization does not accumulate and retain the knowledge and does not invest in internal development.
5. The organization is dependent on the contribution and success of the freelancer.
6. The freelancer usually has low commitment and attachment (may result, for example, in working at a few places at once, leak business information, etc.).

C. Positive contribution to the freelancer (4 subthemes; N = 60 answers, 18% of total answers):
7. Financially beneficial, salary-wise.
8. Opportunity to enrich knowledge and experience.
10. Independence and flexibility at work, and the ability to work at a few places simultaneously.

D. (11) Mutual contribution (N = 9, 1% of total answers).
The relative proportion of each subtheme is presented in Figure 5.

Figure 5 indicates that managers think that the four most important contributions are:
1. The freelancer is an available and flexible human resource solution (subtheme 2; 22%);
2. The freelancer provides unique added value, knowledge, expertise, and experience (subtheme 1; 18%);
3. There is mutual contribution to both sides (subtheme 11; 15%); and
4. The freelancer is financially cost-efficient as opposed to hiring a new employee (subtheme 3; 14%).

Items 1 and 4 corroborate traditional views of freelance workers, while items 2 and 3 indicate that management considers that the freelancer’s expertise constitutes added value and is very worthwhile.

Thematic analysis for “growing prevalence of freelancers”. The analysis revealed three main themes (and 13 total subthemes), with N = 328 answers from all the 255 participants (response rate = 65.12%):

A. Positive phenomena (5 subthemes; N = 152 answers, 46% of total answers):
1. Unique added value, knowledge expertise and experience.
2. Having a choice, freelancers are an available, flexible, and less committing human resource solution.
3. Financially/cost-efficient as opposed to hiring a new employee.
4. Opportunity to enrich the knowledge and experience of the freelancer.
5. The freelancer has an interest in investing at work (e.g., flexible schedule, salary, etc.)

B. Negative phenomena (8 subthemes; N = 130 answers, 40% of total answers):
6. Encourages working as a freelancer, and less as a part of the organizational framework.
7. Encourages entrance of less-skilled and unworthy freelancers.
8. Freelancers’ status is problematic: legally, socially (e.g., social benefits), and occupationally.
9. External dependence: the organization does not accumulate and retain the knowledge, and does not invest in internal development.
10. The phenomenon might damage or undermine the work of the regular employees, their motivation, or their development.

11. The freelancer’s attention is divided into as many workplaces and projects he/she is currently working on.

12. The freelancer usually has low commitment, attachment and stability (may result, for example, in working at a few places at once, leak business information, etc.).

13. The organization is dependent on the contribution and success of the freelancer. If the freelancer does not prove to be successful, the organization has lost valuable resources (money, time, etc.).

C. (14) General phenomena: Freelancers are going to be the future (N = 46, 14% of total answers).

The relative proportion of each subtheme is presented in Figure 6.

<table>
<thead>
<tr>
<th>Subtheme</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item 1</td>
<td>22%</td>
</tr>
<tr>
<td>Items 2-7</td>
<td>15%</td>
</tr>
<tr>
<td>Item 8</td>
<td>10%</td>
</tr>
<tr>
<td>Item 9</td>
<td>6%</td>
</tr>
<tr>
<td>Items 10-12</td>
<td>6%</td>
</tr>
<tr>
<td>Items 13-15</td>
<td>6%</td>
</tr>
<tr>
<td>Items 16-18</td>
<td>4%</td>
</tr>
<tr>
<td>Items 19-21</td>
<td>4%</td>
</tr>
<tr>
<td>Item 22</td>
<td>3%</td>
</tr>
<tr>
<td>Item 23</td>
<td>1%</td>
</tr>
<tr>
<td>Item 24</td>
<td>1%</td>
</tr>
<tr>
<td>Item 25</td>
<td>1%</td>
</tr>
</tbody>
</table>

Figure 6. Proportions of Each Subtheme of the Total Sum of Answers (N = 328).

Figure 6 reveals that managers think that the three most notable aspects of the prevalence of freelancers are: (1) having a choice: freelancers are an available, flexible, and less-committing human resource solution (subtheme 2; 22%); (2) freelancers are going to be the future, in general (theme 3; 15%); and (3) freelancers contribute unique added value, knowledge, expertise, and experience (subtheme 1; 15%). Item 1 corresponds to the classical view of freelancers, giving the appearance of offering managers of corporate foundations and businesses a pragmatic and fairly easy solution to organizations in need. Item 2 strengthens the notion that management today has recognized the added value of the talent out there in the marketplace, and that despite the extant risks and possible threats (Item 2), there is a growing recognition that freelancers with talent are here to stay.

**Discussion**

We began our inquiry by observing that in modern, developed western societies there have been changes at many levels in the workplace that, inter alia, have fostered the growth of an independent body of talented freelancers who offer their services, professionalism, and expertise to businesses and corporations. We recorded that for the business world there are both advantages and disadvantages in hiring freelancers, but that despite the ambivalence associated with hiring and contracting “transient” workers, management in this volatile marketplace recognizes the value of this pool of workers over and beyond their original perception of the freelancer as a stop-gap measure to solve ad hoc challenges to their delivery of products or services. Study 1 indicated that (a) the managers perceived freelancers’ employment as a promising avenue for bringing knowledge and expertise into the organization, (b) they inclined towards employing freelancers with superior levels of knowledge and expertise over equivalent full-time employees, and (c) they were willing to pay the talented freelancers more than the regular compensation for their services. Managers were significantly less willing to employ a freelancer at lower pay when the freelancer’s perceived expertise levels were below that of an equivalent full-time employee. In this sense, knowledge and expertise were identified as a baseline condition for hiring a freelancer to perform an organizational task, in tandem with hypothesis H1.

The same pattern emerged for the six types of different organizational roles investigated including, somewhat unexpectedly, the managerial role. The expectation that a freelancer would be contracted as a manager may seem hypothetical; yet this finding, nevertheless, gives credence to the notion that a perceptual shift has already occurred towards adapting emerging types of employment.

In this sense, the discourse on new organizational structures is highly relevant. For instance, Ashkenas, Ulrich, Jick, and Kerr (2002) refer to the boundaryless organization whereby organizations shape their boundaries and re-examine their flow of talent: the organizations reconstitute their employment patterns regarding what is internal and what is external; they make room for the employees who have boundaries careers (Lo Presti et al., 2018) that are not limited to traditional employment forms. This serves as an example of how employment of freelancers in managerial roles might be applied in practice, although, in our search of the existing literature we were hard put to disclose any extant instances of freelancers in managerial positions in existing organizations.

Once, in the managers’ perception, the knowledge and expertise of a potential freelancer exceeded that of an equivalent full-time employee, it appears that it almost did not matter to the managers in our survey (Study 1) how much more knowledgeable or expert the freelancer was. The implication was that there was an additional important factor (or factors) influencing the decision to hire a freelancer to an organizational task that did not show up in the quantitative analysis. We consequently used qualitative analysis to deepen our understanding of the main motives managers might possess for employing freelancers in organizations and the personal qualities deemed necessary for the freelancers to succeed in organizational tasks.

The main personal characteristic requirement of the freelancer raised by the managers in order for the freelancer to be hired by the organization was adjustability, adaptability and the ability to integrate into an existing organizational system (22%), and only then did specific and unique knowledge, professionalism and extra-added value (13%) compete with these criteria. Somewhat unexpectedly, more managers identified adjustability as a key factor in the decision to hire a freelancer than those selecting knowledge and skills.

When trying to shed light on this finding, we related to the fact that in order to manage the risk and uncertainty in today’s organizational environment, the essential organizational practices that most contribute would appear to be flexibility (Teece, Peteraf, & Leih, 2016), collaborative work teams (Walker & Lloyd-Walker, 2016), and integrative thinking (Zhang, Waldman, Han, & Li, 2015). It appears that in today’s organizational realm, managers considering hiring a freelancer for an organizational task can no longer view the hired expert as a stand-alone talent. In this sense, the well-established connection between emotional intelligence and job performance is highly relevant (O’Boyle Jr., Humphrey, Pollack, Hawver, & Story, 2011). So, not surprisingly, managers pointed out the ability of external talent to integrate and adapt (followed by knowledge and expertise) as the leading criteria when hiring freelancers.

Not unrelated to the question of successful integration and adaptability was the additional finding that the preferred freelance candidate would also need to have strong interpersonal skills, communication and relations, and expressive abilities (subtheme 5; 12%). Paradoxically, these findings might create challenges for the super-tmps that opted for a (more) flexible and “boss-independent” working life, free from the “restrictions” of the traditional supervisor-worker arrangement (Miller & Miller, 2012). Yet, these are precisely
the special skills that seem to mark out the talents (Conditions 2-4 in Study 1) from the freelancers who are less knowledgeable and of lower expertise (Condition 1) and who apparently do not possess interpersonal skills at the level advocated by the managers. In addition to their knowledge and expertise, the talents outshine their less skilled peers by bringing to the table high-level social skills with the attendant right connections; they are also able to interface easily with their newly acquired (if temporary) associates in that next outsourced project. They perhaps embody the notion of “It’s not only what you know but who you know”, thus bringing to the other side of the contract very much needed added value. These highly talented individuals are all-rounders. They are easy to get along with and adapt themselves well to their ever-changing partners. They leave the rest of the pack behind.

Notably, this study was conducted in Israel. In the first place, we can say that the fostered increased growth in freelancers in the market, which, up to now, was explored mainly in the USA, now accumulates positive backing from the Israeli market, showcasing the global penetration of freelancers to organizations worldwide. This specific cultural setting, however, might better help us to understand the greater appreciation/demand for integrative and communication skills on the part of the freelance candidates that emerged in Study 2. Israel is a “start-up” country that has made great strides economically in its short existence (see updates: World Economic Outlook Database; International Monetary Fund) and is a world leader in start-ups (IVC-ZAG Israeli high-tech survey, 2019), hi-tech (Green, 2018), and in agriculture, irrigation, and medical technology. There is a clearly defined Israeli culture that respects knowledge (wisdom) and creativity, perhaps emanating from religious tradition and the necessities of survival as a people. Given Israel’s small size, it is not surprising that connections in the business world and networking platforms are strong, giving rise to the appreciation of high-level integrative and communication skills as a precondition for hiring individuals, whether full-time or as freelance agents. Partly, this highly-valued personal attribute may stem from the old-boy network ethos built in a society where the majority of managers (male and female) will have served in the Israeli army, and will thus have nurtured a unique sense of comradeship that consciously or unconsciously puts a greater weighting on social-skills than would be present in other less pressurized societies.

All indications are that the world of freelancers is growing. According to the national survey cited above, 77% freelancers indicated that they make the same or more money than they did before they started freelancing. That, of course, begs the question as to what choice managers have today but to pay high rates to independent talent workers, especially when their business concerns are strapped for manpower. With the National Survey indicating that increasingly more Americans are considering making the jump to independent freelancing (including 80% of tenured workers), how can managers not be thinking about hiring freelancers in this day and age?

Managers in the current work environment are becoming increasingly aware of the upper-end of the freelance market – and especially of the Millennials. And, from their perspective, 65% of these new-age workers are proclaiming that they feel more respected than only three years back (National Survey). No wonder, then, that despite the negative aspects of hiring freelancers revealed in our questionnaire – and they are many – companies will be looking more favorably towards the freelance market and will, presumably, adapt their working habits, schedules, and inter-employee relationships towards the more open, creative, and independent values owned by this largely young, blooming, and boisterous workforce. Managers, it appears, are ready to accept that “contracting with talented freelancers will generally work to their advantage, making companies more proactive in handling changes and uncertainties” (Pofeldt, 2017, as cited in Poon, 2018). Following Liakopoulos et al. (2013, as cited in Poon, 2018), we note that a dynamic open talent economy can encourage companies to move away from traditional closed-ended workforces that use full-time statutory employees towards outsourcing relationships with independent workers, thus to create what might be titled a “diversified workforce”. Such a workforce clearly lends itself to the desired flexibility that corporations need to nurture in today’s volatile and uncertain markets.

In sum, freelancers’ employment in organizations is growing and it has major implications for organizations on how work is conducted, a field that deserves more scholarship attention (Healy, Nicholson, & Pekarek, 2017). This study is part of an attempt to better understand the perceptions of employers on the rapidly growing freelancer’s employment phenomena (Freelancers Union, 2017). Notably, the responses of the participants/managers to our questionnaires have thrown some interesting light on what might be freelancers’ impact on the future of work. Thus, the managers (a) perceived freelancers as enabling flexibility and choice in managing the workforce (22%); (b) raised the understanding that freelancers provide an added value, knowledge, and expertise (15%); (c) indicated that the freelance talents bring the added value of integrative and social-skills (12%); and (d) overall, confirmed the change in perception of freelancers as generally undervalued to that of freelancers generally perceived as playing a central and positive role in the future of work (15%).

**Some Restrictions of this Research and Future Research Possibilities**

First, given the remarks concerning the Israeli context in which this investigation was expedited, it would seem appropriate that the studies be replicated over those various cultures that display the economic features and challenges that have been attended to in the literature and partly described in our Introduction. It has been clearly established that cultural values influence organizational culture and that differences maintain, for instance, on various levels concerning person-group, interpersonal relations in general, and person-supervisor fit (see, for example, Chernyak-Hai & Rabenu, 2018, p. 20), albeit that the differences generally portend in diverse societies whose overall cultures are substantially at odds (see, for example, Oh et al.’s, 2014, meta-analysis). Given the unique color of Israeli society, future cross-cultural research would benefit not only from exploring managers’ perceptions of freelancer’s employment – to confirm or otherwise that freelancers’ employment is a growing global phenomenon – but also academia and industry would benefit from comparisons that can be drawn between the US, Israel, and other economically developed countries, regarding managers’ overall perceptions of freelancers’ employment and, specifically, the weighting and role of adaptability/fluidity and social skills as factors in the hiring of freelancers.

Second, the current study was based on measuring perceptions of managers and not existing reality. While the managers’ responses indicated extreme openness towards hiring freelancers for pivotal positions (including management positions), and a consensus to compensate them for their talent with competitive compensation, the question remains to what extent these attitudes translate into actual behaviors applied in organizations today. The answer remains diffuse and speculative at this point, pointing to an interesting avenue for future research.

Third, we have noted various definitions of freelancing and freelancers and the possibility of differentiating between types. MGI’s classification/grid that references a number of variations on the theme clearly illustrates the confusion of definitions, on the one hand, yet allowing us to delineate specific categories of freelancers who might merit individual investigation. Thus, MGI refers to freelancers as “free agents” vs. “casual earners”, “primary income earners” vs. “supplemental income earners”, and those for whom freelancing is a “preferred choice” vs. “out of necessity”. Future investigations of managers’ perceptions of freelancers and the
Fifth, although we indicated to our respondents that we were interested in the degree of their willingness to hire freelancers for organizational tasks within their organizational settings, we might advocate that future investigations of this nature indicate alternative settings in which the contractual arrangements could take place. Thus, the questionnaires would distinguish more carefully between the levels of expected interaction of the contracted freelancer and the staff within the organization. For instance, does the capacity of a supply teacher to integrate into the work setting have to match that of the head of a team working on a short term project in a high-tech start up? Do the social skills of a research scientist have to equate with those of an athletics trainer? These distinctions presumably apply to a variety of potential contracting relationships between contractors and freelancers. We would thus anticipate that as the levels of desired, optimal integrability, and social interaction descend, so would the expectation/demands of the managers lessen accordingly. We might then expect that the results of a Study 1-type will no longer show such an extraordinary preference for the talents nor will we necessarily see then expect that the results of a Study 1-type will no longer show such.

Sixth, this investigation is unique in capturing managers’ perceptions of freelancer’s employment, insofar as it is based on two studies, comprising a rather large sample of 255 managers from different types of organizations and organizational roles. The employment of two complementary studies, one quantitative in orientation and the other qualitative, revealed a weakness in the former study insofar as the results of Study 1 failed to highlight further criteria employed by managers when considering contracting with freelancers. The latter considerations were only revealed in Study 2 and they even superseded the factors drawn out in Study 1. The employment of mixed methods – quantitative and qualitative analysis – enabled us to effectively and thoroughly identify main motivations for hiring freelances to perform an organizational task. Of particular value to our investigation were (a) the employment of qualitative analysis as a second phase (and not as a preliminary explorative study), and (b) the fact that we were able to go back to the same participant pool. We were thus able to dive deeper into attitudes towards freelancers’ employment in the changing business environment. The bottom line appears to be that nothing succeeds better than sitting down with the people who have to make the decisions and hearing them out. Certainly, much is to be gained from statistical methodology, but further replications and investigations of this nature will certainly benefit from the hybrid approach that combines both quantitative and qualitative methodologies.

Conflict of Interest
The authors of this article declare no conflict of interest.

Note
The authors names are listed in an arbitrary order as they have all contributed equally to this paper.

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