

Upwork Research Institute

Reinventing Work: Unveiling the Work Innovators' Blueprint for Success

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A blueprint for companies to redesign work, employ new technologies and drive organizational performance.

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About Upwork

Upwork is the world's work marketplace that connects businesses with independent talent from across the globe. We serve everyone from one-person startups to Fortune 100 enterprises with a powerful, trust-driven platform that enables companies and talent to work together in new ways that unlock their potential. Our talent community earned over \$3.8 billion on Upwork in 2022 across more than 10,000 skills in categories including website and app development, creative and design, customer support, finance and accounting, consulting and operations.

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About The Upwork Research Institute

The world of work is not the same as it was just a few years ago, and leaders are facing brand-new challenges as a result. The old work playbook is gone, and in its place, there are debates and decisions around workforce location, worker arrangements, and flexibility. However, leaders do not need to navigate this new world of work on their own.

The Upwork Research Institute is committed to studying the fundamental shifts in the workforce and providing business leaders with the tools and insights they need to navigate the here and now while preparing their organization for the future. Using our proprietary platform data, global survey research, partnerships, and academic collaborations, we will produce evidence-based insights to create the blueprint for the new way of work.

Ready or Not, Here Change Comes

The blueprint for business success is more complex than ever before. Leaders face an environment where previously universal truths, such as when, where and how people work, are being hotly debated, but at the same time, the pressure to maintain and improve balance sheets is as pressing as ever. The ambiguity around how we work today has many leaders questioning what to prioritize, what to preserve and what to change. Yet amid this ambiguous backdrop, a new high-performing type of company is emerging with leaders who are taking action.¹

The latest research from The Upwork Research Institute dives into what sets this high-performing category apart and how the ways of working inside these companies leads to better business results.

What sets these companies and their leaders apart? Confidence.

Nearly 1 in 4 leaders told us their top strategic priority this year was maintaining current business operations. Another 30% of leaders told us their focus is on improving and finding efficiencies within their current strategy to remain competitive. Thirteen percent shared that their top strategic priority was reacting to the unprecedented macroeconomic shifts within their industry.

A small group of leaders (23%) said their focus was on finding areas to innovate and take risks this year, even with much uncertainty around them.²

This was the group we wanted to explore: Why did they feel confident enough to focus not simply on holding on but on expansion, innovation and bold bets?

Meet the Work Innovator Companies

Through nearly a year of research we identified three core attributes of these leading companies that made all the difference in how their leaders think, operate and ultimately perform. We call this new way of operating the “Work Innovator Framework” and the companies who are modeling it “Work Innovator Companies.” These companies see the world of work differently—not with trepidation, but with optimism—and they are pioneering a new path forward for businesses, leaders and workers everywhere.

Let’s examine the Work Innovator Framework. It shows leaders how to build the right organizational and leadership muscles to recognize opportunities early, withstand the challenges ahead, and ultimately, prepare for many possible futures.

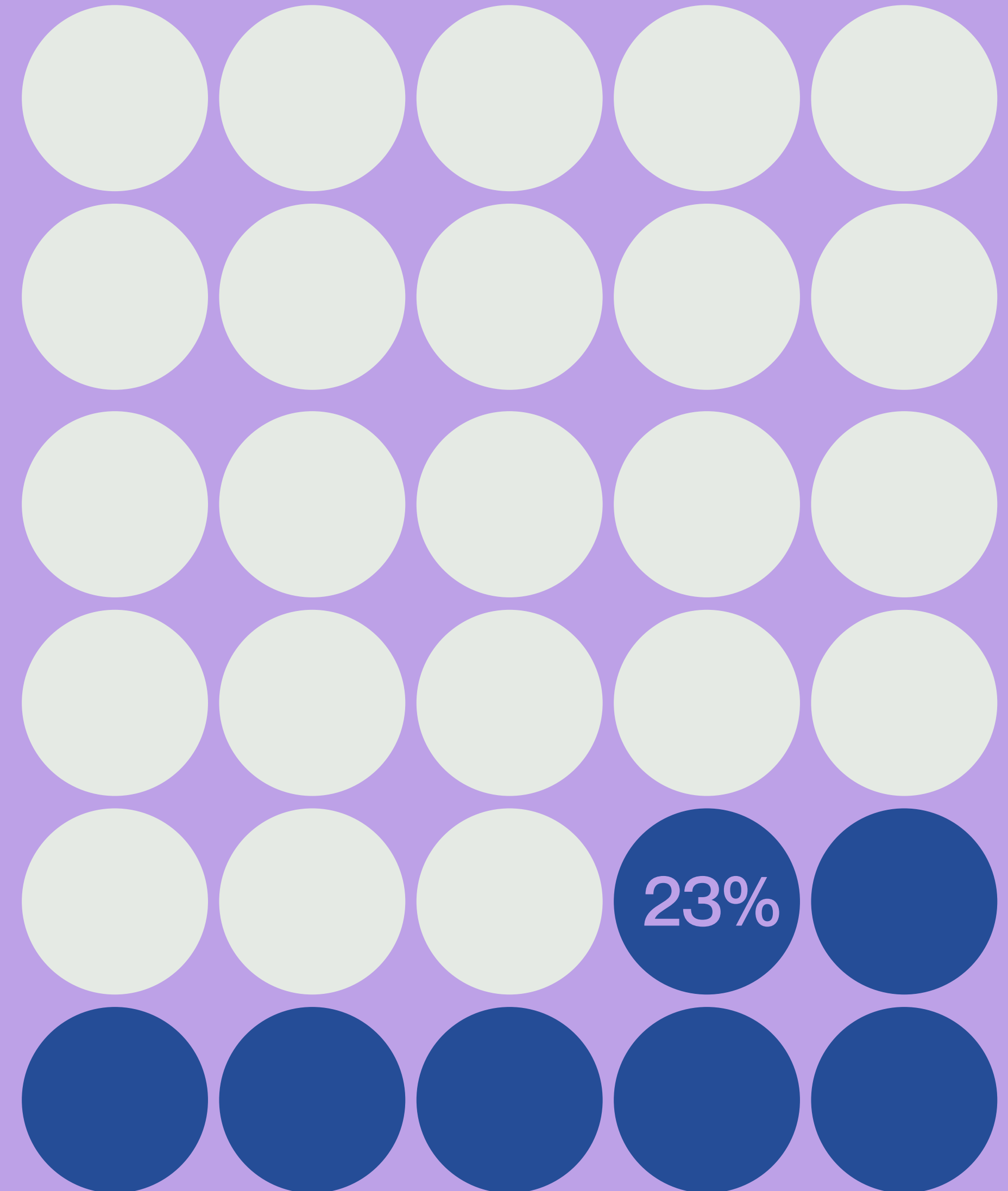


Figure 1

Leaders Focused on Innovation

Source: Upwork Research Institute, 2023

This Is How We Build a New Work Playbook

We engaged more than 1,900 global business leaders—directors through C-suite level—spanning seven industries and 14 countries in a comprehensive study.

The research uncovered three distinct attributes of these companies that empower leaders to change how their organizations work, drive higher company performance levels, and separate the work pioneers and risk-takers from the rest. These three attributes are what define our Work Innovator Companies.

Moreover, our research found that 87% of Work Innovator Companies are high performers when looking at their company's revenue growth, sentiment toward their company's future outlook and confidence that they have the right skills throughout their organization.³



Figure 2

The Three Attributes of Work Innovator Companies

Source: Upwork Research Institute, 2023

Put New Technology to Work Throughout Your Organization

Work Innovator Companies are bullish on new technologies—in particular, gen AI. Gen AI talk is everywhere, but our research found that only 51% of leaders are embracing new technologies, such as AI. However, we learned that Work Innovators are 1.8x more likely to already be effectively leveraging gen AI within their organizations.

Work Innovators excel in this practice by learning and experimenting with new technologies themselves, rather than delegating the task to IT leaders to figure out. As decades of behavior change research illustrates, it's often the modeling behavior at the top that results in the greatest change adoption throughout the rest of the organization.⁴

Our Work Innovators see gen AI not as an IT solution but as a business imperative. Leaders who view gen AI in this way are 84% more likely to report strong digital collaboration and data-driven decision-making throughout their organizations.

We learned that a disconnect occurs today around the company-wide adoption of gen AI in many organizations. While 73% of C-suite executives said that they were personally embracing gen AI, this dropped to only 56% of VPs, 56% of directors and 54% of senior managers.⁵ This disconnect is hindering system-level applications of gen AI.

System-wide adoption of new technology starts with leadership, critical to getting ahead on gen AI. Dr. Ajay Agrawal, an AI economics expert, cautions against using gen AI solely as a single point of application, which we've seen within many organizations. While this can lead to incremental gains, a single-point approach to technology like gen AI does not enable the system-wide impact many hope to achieve.⁶

Here's an example:

Imagine using gen AI to generate personalized marketing copy for each customer. While this is a significant first step, more innovation awaits. You could go as far as using gen AI to create a virtual marketing assistant to manage all aspects of a company's marketing campaign. This level of gen AI adoption is a systematic approach.

Upwork is observing this trend in our platform data. After ChatGPT first became widely available in November 2022, our Q1 2023 job hires and search terms were primarily based on singular gen AI tools. However, as we looked at Q2 2023 job searches and hires, we saw more application-based terms arise, such as *content creation*, *developing large language models* and *using gen AI for text-to-image creation*.⁷

It's still early, but we see Work Innovators at the forefront of using AI, giving them an edge as companies move toward more system-wide applications.

Work Innovators consistently outperform others when it comes to leveraging gen AI

1.9x

more likely to have a training program for gen AI adoption: 41% have a training program in place for gen AI adoption, compared with 21% of their peers.

3.8x

more likely to have a well-defined gen AI strategy in place: Nearly half (49%) say they have a well-defined gen AI strategy in place and have implemented it across their organization, compared with just 13% of typical performers.

2.2x

more likely to actively incorporate gen AI into their daily operations: Nearly half (47%) of high-performing business leaders are actively incorporating gen AI into their daily operations, compared with 21% of typical professionals.

2.2x

more likely to be building and training large language models today: 42% of Work Innovators have already put models in place, compared with just 19% of their peers.

2.5x

more likely to have launched an external gen AI application: 33% of Work Innovators have accomplished an external gen AI launch which compared with just 13% of typical performers.

Case Study

Making a Beeline for Gen AI Innovation

Bee Line Transport Inc., a transportation company based in Oregon, is one company that took a proactive approach to adopting gen AI.

When Ryan McCrae, general manager of Bee Line, stepped into the position he made the decision to take the company from “a paper-based system to a full-blown, tech-enabled business.”

Now drivers log into Bee Line’s iOS app with their thumbprint. The app enables them to keep track of receipts from car washes, tolls, and more and supplies instant access to all of the information they need to embark on their next job, wherever they are.

The app also uses gen AI to scan a label applied to every vehicle, feeding relevant information into a full database that provides

management with a real-time view of every detail of their business. Not only is this a vast improvement from the stacks of worksheets and manual tallies the company used before, but the integration of an AI-driven technology platform has also directly boosted employee retention and satisfaction.



Open Your Culture to Flexible Talent

As gen AI highlighted, skill needs and roadmaps can shift overnight. Companies that never imagined needing a prompt engineer suddenly found themselves on the hunt for this specific skill set. Our own platform data reveals a 1500% increase in gen-AI-related search results in the second quarter of 2023 compared with the fourth quarter of 2022.⁸ The ability to find, hire, and onboard the right talent quickly can be the difference between meeting or missing this moment of significant technological change.

That is one of the reasons creating environments and cultures where flexible talent models thrive is a critical behavior in our Work Innovator Framework. And this means more than just having diverse worker types within your organization.

Hiring diverse talent is just the start. It's also about creating an ecosystem where all talent can thrive, which often requires deep organizational change. This starts at the leadership level.

Our data found that supportive companies do things differently:

1

They adopt adaptive management that meets the needs of diverse talent types. While all people share a set of core work needs (e.g., fair pay and flexible work), different talent needs emerge depending on worker type. Effective managers are aware of this and meet people where they are in their career journey. For some, that means establishing long-term stability. For others, it means engaging in various short-term projects that fuel their passions.

2

Bring freelancers into the fold. Many organizations suffer from in-group and out-group dynamics when it comes to managing different types of workforces within the same organization. Often, freelancer talent is left off key meetings or is missing critical information to complete the work. This lack of knowledge-sharing hinders the team from operating on all cylinders and leads to misses as people operate with

only half the context. Influential Work Innovators intentionally design knowledge-sharing processes that enable all worker types to be aware of relevant contextual information.

3

They have visibility into the talent mix across their organization and match the right work with the right people. Work Innovator Companies are 2.6x more likely to know what work is better suited for freelancers than for full-time employees. In addition, Work Innovators are 2.3x more likely to hold leadership accountable for the effectiveness of freelancers within their teams. And maybe more striking is the difference in knowing how many freelancers are within their organizations. Ninety-two percent of Work Innovators knew their current talent mix, compared with only 62% of their peers.

4

But, perhaps, the most critical differentiator is in the mindset of a leader toward the talent on their team. See Figure 3.

Open Your Mind to the Best Talent

Work Innovator Companies approach their teams and talent with a different mindset. Work Innovators view freelance talent as part of their business. When asked “Do you want to work with the best talent, regardless of whether they are freelancers or full-time employees?” only 69% of leaders agreed. In contrast, 92% of Work Innovators agreed with the same statement (see Figure 3).

Work Innovator Companies understand that the best talent is the person who is the best fit for the project, regardless of worker classification. They do not have biases around the specific type of talent they work with but instead view each individual as a contributing team member.

We found that Work Innovator Companies treat all team members as just that—members of the team,

and valued individuals. This is seen in the words they use to describe freelancers: smart, innovative, helpful, quality, reliable, intelligent, and hard-working. This is in contrast to the terms used by their peers who didn’t excel in this behavior: expensive, temporary, contractor, cheap, part-time, and gig.⁹

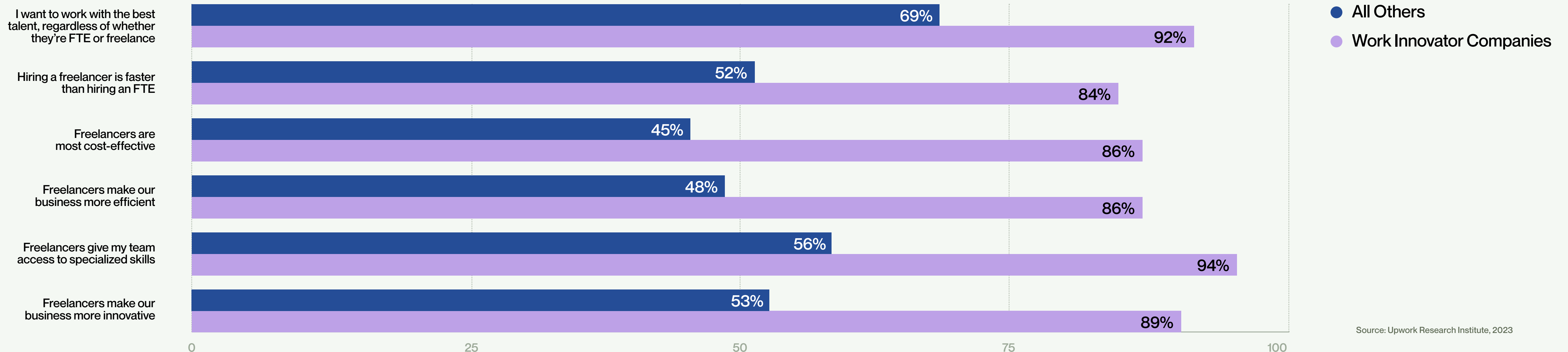
Companies need to recognize that freelancers bring unique skills, fresh perspectives and specialized

expertise. When organizations view freelancers as valuable contributors rather than temporary placeholders, they are more likely to invest in building strong working relationships with these individuals. This positive mindset fosters collaboration, trust, loyalty and ultimately, results.

Figure 3

Work Innovator Companies Adopt a Different Mindset

Differing Attitudes Toward Freelancers



Source: Upwork Research Institute, 2023

Case Study

Plenty to Teach Us

Plenty creates cultures where flexible talent models thrive. Plenty recognized the need to rewrite the rules of agriculture with its indoor vertical farming technique. However, finding the right talent to do this proved a major challenge, so Plenty put specialized contract workers at the core of its business and treated them as valued team members.

Plenty was able to create a culture in which flexible talent thrives by setting clear expectations of freelance talent including:

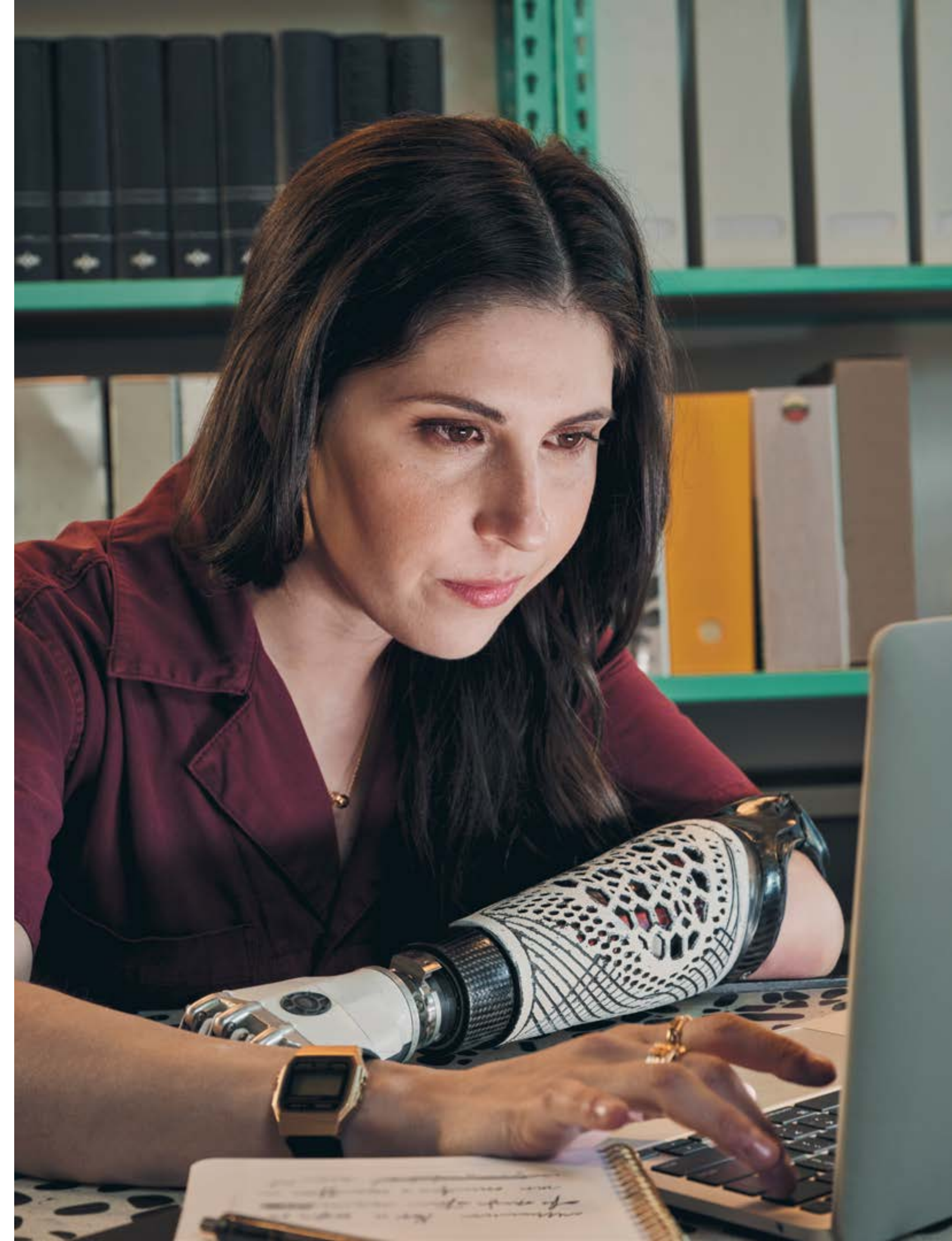
- Project scope
- Deadlines
- Deliverables

The organization cultivated long-lasting relationships with its top contract workers and also readily supplied them with information, access and resources; recognized their work publicly; and paid them in a fair and timely manner.

The Impact?

Creating environments and cultures where flexible talent models thrive is a key behavior in our Work Innovator Framework. But only 1 in 2 in leaders (53%) is spearheading a flexible talent model redesign. When leaders create an

environment where flexible talent models thrive, they are 111% more likely to believe their teams have the right skills mix to meet their goals effectively. Skill needs are changing with every new technological advancement. Designing a fluid talent culture is key to future success.



Create Distributed Team Best Practices That Set Up Your Organization for Success

It's no longer just about remote vs. onsite. Leaders must enable distributed work at scale.

Work Innovator Companies have embraced new asynchronous practices and rewritten existing processes to maximize productivity of distributed teams. Our research found that only 42% of companies are leading in this distributed work redesign.

Yet companies leading in distributed work practices are 83% more likely to report their organization as agile.

These organizations have unlocked how to work globally and around the clock to stay ahead. Given the rapidly changing business landscape, agility is essential to bold leadership. So how are these

Work Innovators approaching distributed work differently?

Innovators don't need to be fully remote. Flexibility is the operative word. Innovators fell on various parts of the spectrum when it came to remote work, with 28% being fully remote, 20% mostly remote, 42% remote a few days per week and 11% occasionally remote. The bottom line is they are offering flexibility in where people choose to work (see Figure 4).

The exact math of days in the office does not directly correlate to being a Work Innovator, because trust is at the core of fostering distributed team best practices and behaviors. Work Innovators who excel in distributed models are more than twice as likely to trust

their employees to get their work done, regardless of where they work. These leaders trust that no matter where their workforce is working, they are making the right decisions on behalf of the organization.

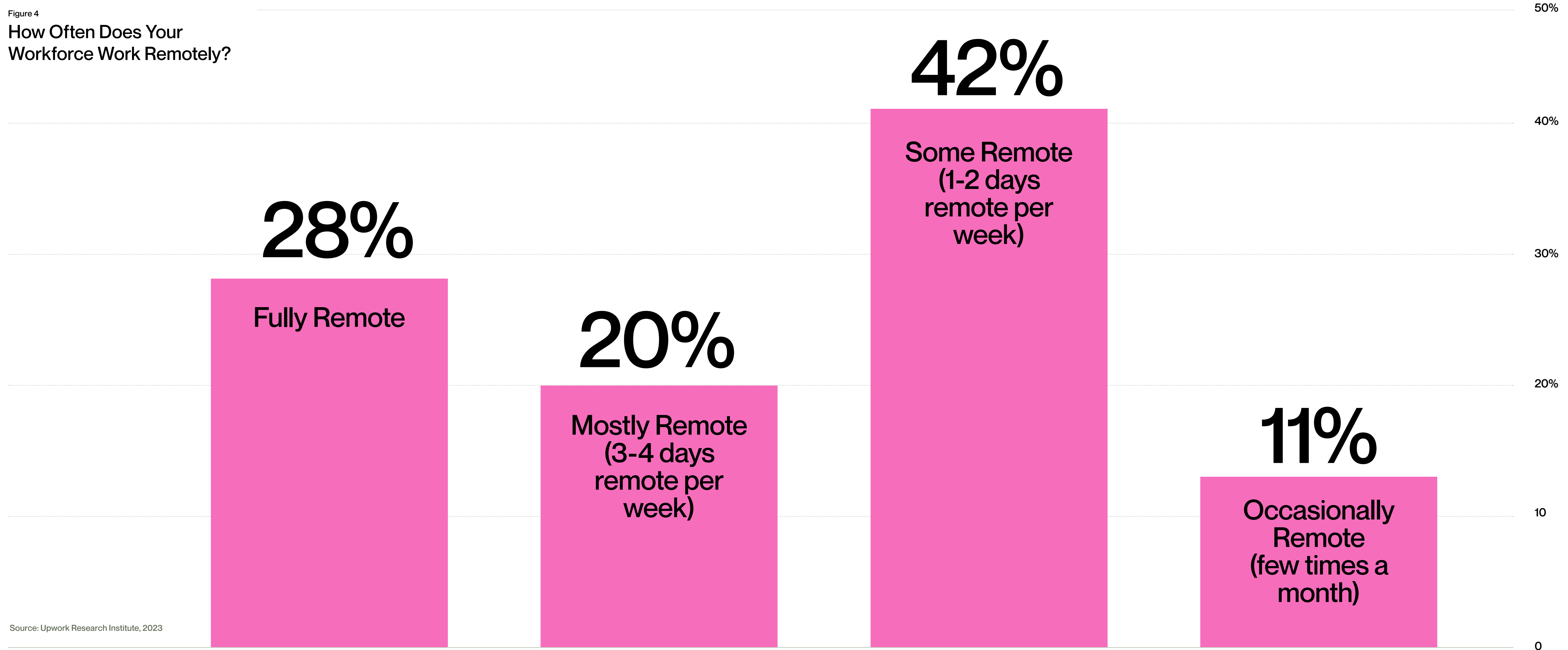
Granted, you need guardrails.

“Research consistently demonstrates that the ‘how’ of work is more pivotal than the ‘when’ or ‘where.’ The organizations poised for future success are laser-focused on this ‘how,’ leveraging data and insights to guide their efforts.”

—Dr. Rebecca Hinds, Head of Asana's Work Innovation Lab

Work Innovator Companies

Figure 4
How Often Does Your Workforce Work Remotely?



Source: Upwork Research Institute, 2023

Distributed Best Practices Pay Off

The Work Innovators have undergone an intentional work redesign, allowing them to trust their teams. While this will vary from organization to organization, trust begins with communication and transparency. When asked whether their department had effective internal communication skills, 91% of Work Innovators responded affirmatively, compared with only 71% of their peers.

Leaders who want to establish trust in their organizations should start by testing and providing the best tools for distributed team communication and collaboration, outlining and aligning workforce expectations, setting clear roles and responsibilities and establishing the norms of operating in a distributed team (see Figure 5a).

Simply knowing the hours when people will be online or at the office, documenting workflows to make the work visible and ensuring each person knows their role and how it is connected back to the larger organization are critical in distributed environments.

Figure 5a

How We Operate	All Others	Work Innovator Companies	Difference
My department has effective documentation for how we work	65%	90%	+25pp
My department has strong internal communications	69%	91%	+22pp
Each member of the department has a strong sense of role clarity	68%	92%	+24pp

Source: Upwork Research Institute, 2023

Figure 5b

Hiring Strategy



Beyond building an agile organization, establishing distributed best practices also enables leaders to expand their hiring locale to reach the best talent available. The Work Innovators are not limited to those in their local labor market; they are tapping into talent markets worldwide (see Figure 5b).

Case Study

Hiring with Confidence

Automattic, an online publishing company recognized by the Cloud 100 of 2023, is publishing a framework others should follow. At the heart of Automattic's fully distributed team of 1,900 is the belief that its employees will do the right thing. Therefore, they deserve the option to decide how, when and where they work.

This degree of trust isn't granted blindly. Automattic is especially thoughtful during the hiring process, inviting candidates to interview multiple times and to complete paid test projects. The culture communicates openly and transparently with all stakeholders – not just full-time employees – to ensure that the business goals are always top of mind.



“

We provide an opportunity for people to follow their bliss, and we treat them equally. The ease as well as the ability to scale up and down in this environment are two really big advantages for us.

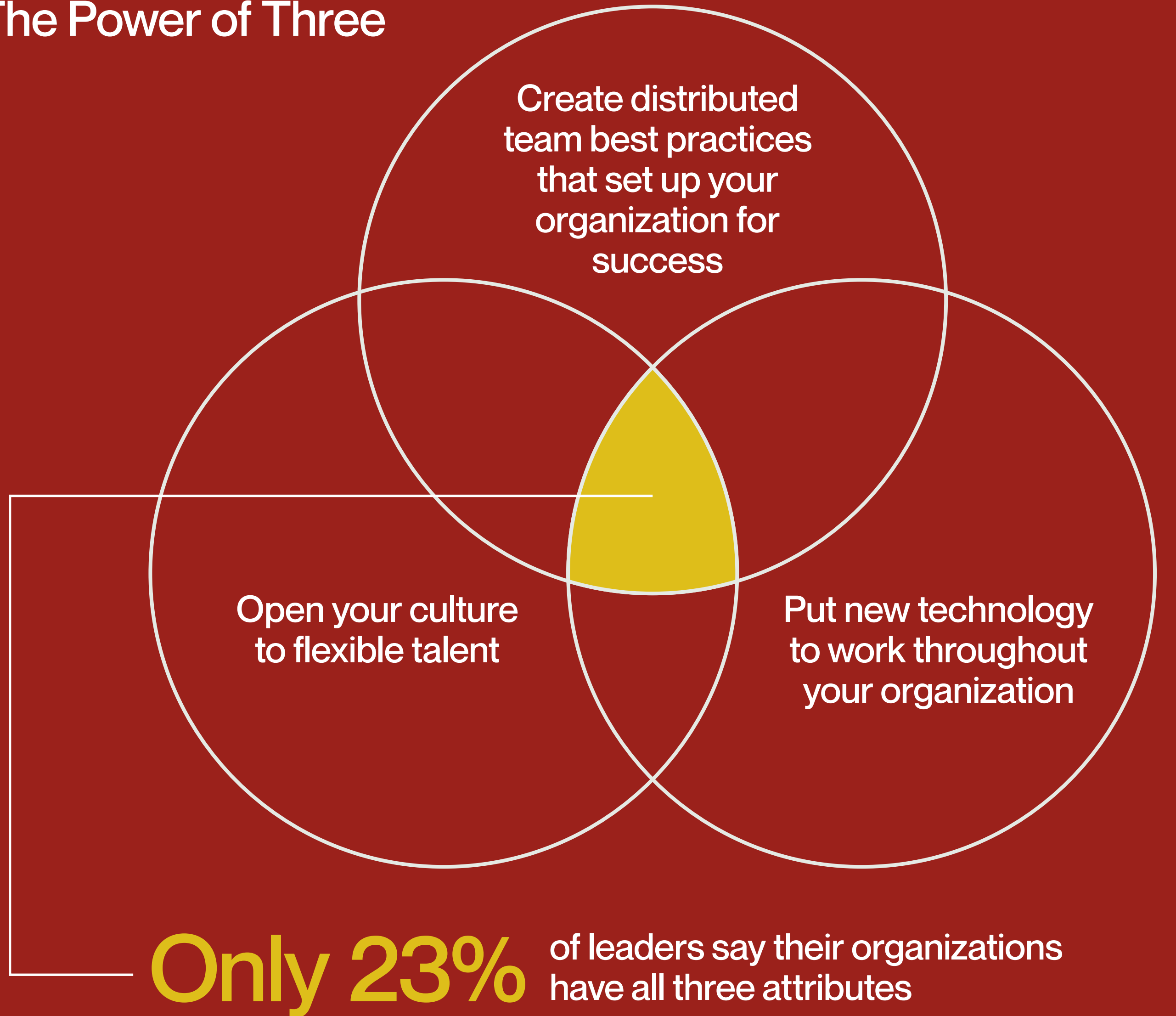
Karen Arnold
Head of Talent, Automattic

This Is How All Three Attributes Work Together

Using one of the Work Innovator Company attributes can be advantageous, but true performance gains happen when leaders enact all three behaviors. Surprisingly, only 23% of leaders say their organizations are engaging in all three behaviors today (See Figure 6).

Figure 6

The Power of Three



Work Innovators Are Winning in the Now

While only 23% of leaders said their organizations are engaging in all three Work Innovator behaviors, this population is already reaping a host of performance benefits from the mentality (see Figure 7). For instance, 55% of Work Innovator Company leaders said they are completely confident in their organization’s future outlook compared with 27% of their peer companies, and 59% of Work

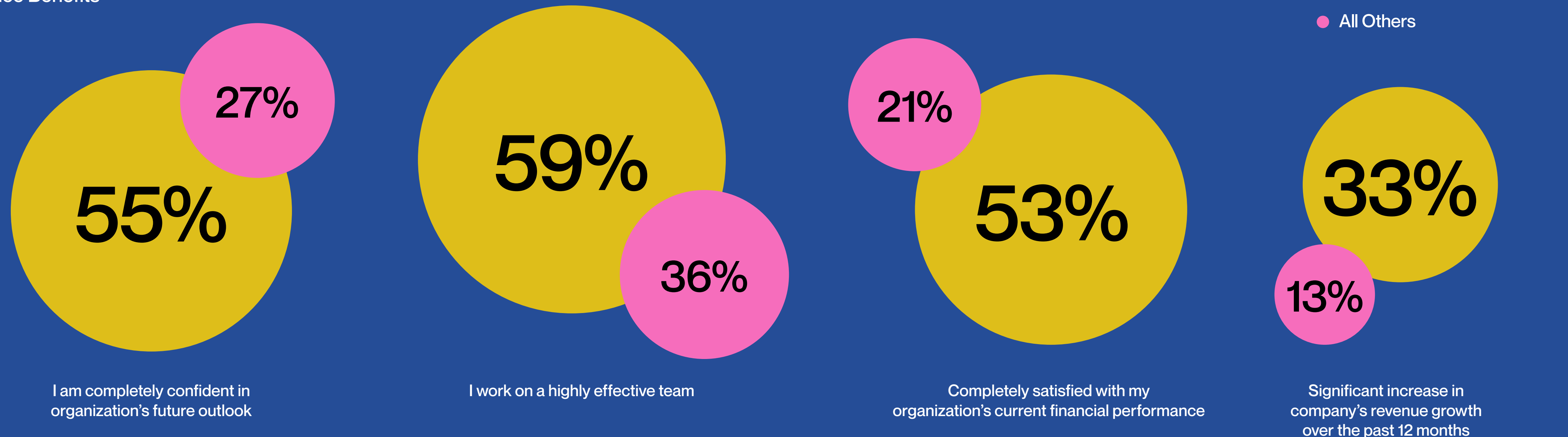
Innovators said they work on a highly effective team compared with 36% of their peers who think their team is effective.

Fifty-three percent of Work Innovator Company leaders claimed they were completely satisfied with their organization’s current financial performance, compared with 21% of their peers. Furthermore, 33% reported

a significant increase in their companies’ revenue growth during the previous 12 months, even amid many macroeconomic headwinds, compared with only 13% of their peers.

Given these performance benefits, we sought to uncover what was driving the performance gains for these Work Innovator Companies.

Figure 7
Performance Benefits



Four Ways to Tap Your Inner Innovator

A Work Innovator Company isn't built overnight. Getting ahead of the herd on new technologies, distributed work and flexible talent models has taken years of discipline at these companies. Beyond identifying the specific attributes that define these high-performing organizations, we also sought to understand what causes a company to become a Work Innovator. What actions are leaders taking to drive higher performance and innovate how work is done at their organization?

To answer this question, our research team tested more than 25 leadership actions that we believed could influence a company being a Work Innovator and lead to higher performance.

Of those 25, we found **four distinct actions** leaders can take that directly drive performance gains and enable work innovation at their organization.

These daily practices include (in order of magnitude on performance gains):¹⁰

These actions are:

- 1** Using data and gen AI for decision-making across the organization. Data was a part of everyone's role, as data democratization was seen as critical for insight-driven decision-making.
- 2** Developing strong internal operational practices that guide how the company communicates, collaborates and orchestrates work across the organization.
- 3** Trusting in one's workforce to do great work, regardless of location or worker type.
- 4** Finally, having a strategic orientation toward caring for workforce needs across the company's talent ecosystem.

To better understand how organizations are adopting these four actions, we interviewed leaders at Work Innovator Companies of various sizes and industries to bring these to life. We hope you find inspiration from these stories.

Leadership Lessons

Drive Effective Decisions with Data and AI

The use of gen AI within companies to make better business decisions has become ubiquitous during the past two decades, and as these tools grow ever more sophisticated, individual contributors will gain autonomy and the problem-solving bottlenecks that occur with traditional leadership models may come to an end.

Mike Della Porta works at Butler/Till, a midsize marketing and media agency in Rochester, NY. As the chief operating officer, he's responsible for using advanced analytics to prove ROI and optimize the investment of his team's campaigns.

Della Porta explained that his group subscribes to a great deal

of information, mainly syndicated data for research. But regulated entities such as hospital systems, pharmaceutical companies, biotech, and medical device and insurance companies bring a lot of first-party data to the team's engagements as well.

"A good deal of our effort and energy is spent harmonizing all of that information and getting it to a standard and then converting it into something that's repeatable that we can mine," he said.

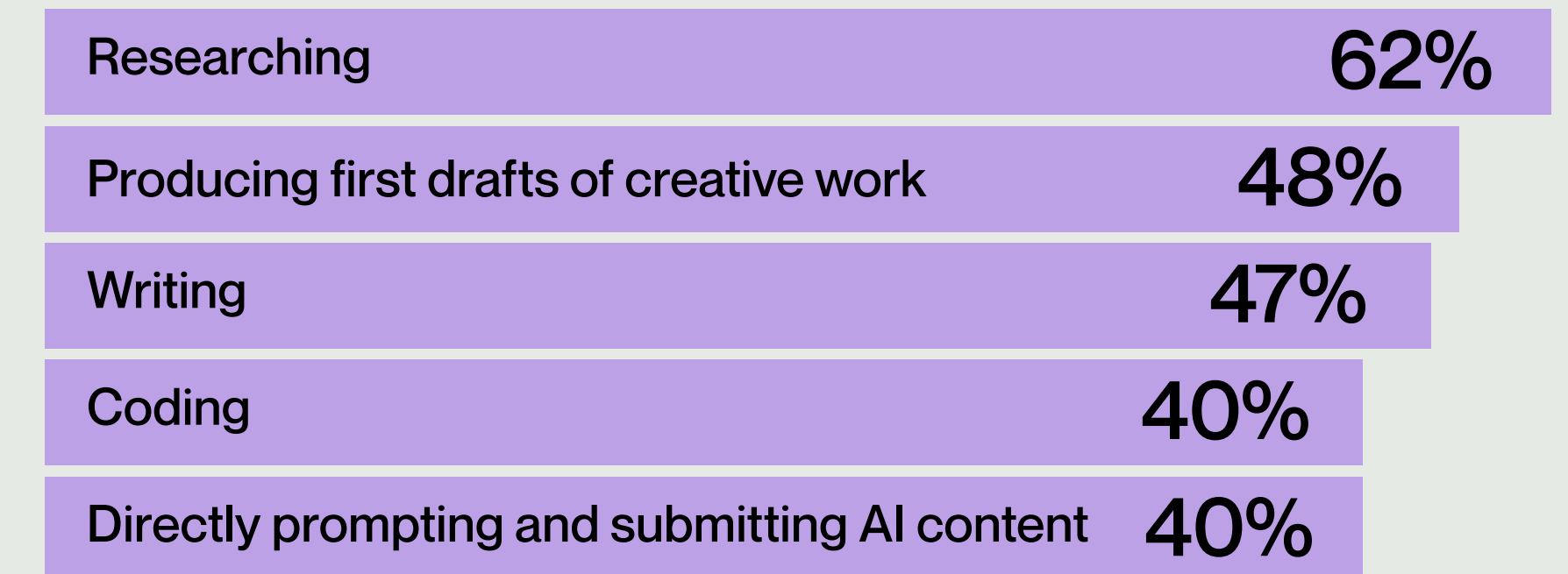
It sounds like this work would take advanced analytics skills right out of the gate, but according to Della Porta, that's not necessarily the case. "It's not required that you have a serious technical background

to interact with these tools or platforms. In a sense, you're really just limited by your imagination."

Della Porta is enthusiastic about technology's lowering the barrier to entry in his field, as well as his ability to put something as powerful as AI in the hands of his employees and unlock value for his customers.

"This is really the promise of AI: to help people achieve more than they would be capable of otherwise," he said.

Top ways that all leaders today are using gen AI within their workflows:



Top 5 functions that leaders see gen AI benefiting over the next 12 months (ranked in order of magnitude:)

- 1 Technology/IT department
- 2 Marketing
- 3 Customer support
- 4 Operations
- 5 HR

Leadership Lessons

Develop Strong Internal Operational Practices

When it comes to how their workforces should communicate, collaborate and get work done, many companies are evolving their processes in real time. Leaders inside Work Innovator Companies understand the need to deeply examine their current processes and don't hesitate to evolve them. When they do, they redesign their processes in a way that balances practical realities with a forward-thinking mindset.

Fred Stutzman's consumer software firm Freedom was originally in-office, based in North Carolina. But the company had a lot of trouble hiring people with the right technical experience who were geographically proximal, so it shifted to remote work and eventually grew to include dozens of people across multiple continents.

Stutzman cited the example of a Moroccan employee he hired who was an expert in his field, and how developing processes to tap into the global talent pool became an essential strategy for his company. "I think organizations need to have the flexibility to understand that the best employees are not necessarily around the corner. And when they are in different parts of the world, being able to onboard them and help them work effectively is a really critical differentiator."

Stutzman admitted that scaling up remote work was a challenge. "I had worked primarily with small teams, and you can get a lot done with simple tools and a little bit of face-to-face communication every once in a while. However, once we had more people, we had to create a culture of documentation, have great

processes in place so people could work in their time zones."

To make it work, Stutzman actively engaged in the larger remote work community, where he could use best practices to create policies for his organization. The effort also required the creation of fresh operational strategies based on when it was more or less effective to bring people into the office.

"Just because we're in the office at the same time, and maybe that office has snacks, doesn't mean people are going to be happy," he said. "We want to bring people together in a truly meaningful way, even though we are spread out. We want to get the processes right in a way that puts our employees first."



Once we had more people we had to create a culture of documentation, have great processes in place so people could work in their time zones.

Fred Stutzman
CEO, Freedom

Leadership Lessons

Trust Your Workforce to Do Great Work

It can be difficult to build trust in a virtual and distributed work environment. According to Eva Sage-Gavin, co-chair, Women Corporate Directors, Bay Area, the strategy of “take away the tension” is an elegant one for building high trust in people you may have never physically met. And because engendering trust through a digital lens is a new skill, many leaders haven’t yet mastered it.

Sage-Gavin said that in response, she has become a student of digital body language, inclusion and listening and now believes

that, with the right training and development, technology can be an incredible enabler of care and trust.

As a leader herself, Sage-Gavin generates trust from her workforce via a model of high individualism and high flexibility built on a foundation of “I see you, I hear you, and I value you.” She pointed out that by demonstrating via consistent actions that she is treating employees fairly and giving them tools and development to help them flourish, she has been able to secure high-demand talent that her competitors could not.



Leadership Lessons

Put People Before Profits

In the ideal caring-centered culture of the near future, organizations will put people before profits and have wellness resources in place to help employees both personally and professionally. Policies will reflect the values that health and safety come first and that caring is everyone's responsibility.

Jennifer Fisher, Deloitte's human sustainability leader, spoke to us about the importance of governing a consulting organization's workforce in a compassionate manner. "It has become a strategic imperative

to acknowledge that we are an organization primarily made up of humans. We don't really sell products. What we sell is the brainpower and creativity of our people to engage in the world's most complex problems. And in order to do that, we need a thriving workforce that values health and well-being and celebrates rest and recovery," she said.

Fisher added, "If we're not taking care of our people at scale in a way that meets them where they are and provides for them and the

needs that they have throughout their career with us, then we are sub-optimizing the bottom line of the organization."

Fisher explained that well-being tools and programs can be a bandage if cultural norms dictate that leaders care about performance above all else. She said that the most powerful thing leaders can do is have conversations with employees. "Ask them to help you design work and understand the barriers that are in the way of getting good work done right."



It has become a strategic imperative to acknowledge that we are an organization primarily made up of humans.

Jennifer Fisher
Human Sustainability Leader, Deloitte



Let the Work Innovation Begin

In today's complex and nuanced work world, Work Innovator organizations won't just be the trendy, cool kids. They are likely to be the highest performers as well.

Technologies such as gen AI can be effectively maximized when leaders adhere to a Work Innovator Framework of building environments and cultures where flexible work models thrive, by leaning into distributed team practices, and by embracing the variety of ways AI-driven tools can facilitate our most pressing goals.

Leaders can take four specific actions to move ahead on the Work Innovator scale: using gen AI for more effective decision-making, developing strong internal operational practices, trusting in one's workforce to do great work and caring holistically for employee needs.

Methodology

About the Sample

A total of 1,940 survey participants were analyzed for the research reported, with 435 (23% of the sample) representing C-suite roles. In May and June 2023, the Upwork Research Institute, in collaboration with ClearlyRated, polled 1,418 business decision-makers in the United States. The survey covered seven key industries: software & technology, retail, healthcare, manufacturing, financial services, media and telecommunications, and business and professional services. Later, in September 2023, the Upwork Research Institute fielded a global business decision-maker survey of 522 participants in collaboration with McGuire Research, which included the following countries: Australia, Canada, China, Germany, Spain, France, United Kingdom, India, Italy, Japan, South Korea, Philippines, and the US.

Our Process

Step 1: Define Work Innovators

We developed three survey measurements to test an organization's practices for distributed work, flexible talent management, and adopting new technologies, with a particular emphasis on gen AI. Each of the three surveys developed underwent reliability testing and was suitable for statistical analysis. The respondents answered survey questions using a 1 - 7 scale, with seven representing a high maturity of the behavior being tested. We used a top-two box methodology to calculate the leaders in Work Innovation, meaning their aggregate score was higher than a six across all three surveys (distributed work, embracing new technologies, flexible talent models). This

group represented 23% of the sample. We then compared these Work Innovators with the other respondents in the sample to determine statistically significant differences in their ways of working.

Furthermore, correlation analyses suggest strong statistical support that technology adoption, distributed work, and flexible talent models are somewhat correlated but distinct constructs. In addition, the participant's industry, company size, and whether they are a publicly owned organization do not show any statistical correlation with our three primary constructs. These results are positive, as it's less likely one's organization's characteristics but rather specific leadership behaviors, which this study investigates, drive work innovation behaviors.

Step 2: Create a Performance Index

Performance was self-reported by our survey respondents. The American Council on Science and Health found that about 80% of the time, self-reported data matches actual behavior (2019). We created six survey questions that asked leaders about their confidence to navigate the future, having the right skills within their organization, the company's revenue growth over the previous 12 months, satisfaction with the company's current performance, and the company's track record for meeting deadlines. These individual scores were then compiled into an aggregate performance index score. As with the Work Innovation measures, we measured this on a scale of 1 - 7, and used the top-two box to determine

a high performer within our sample. The correlation between the Work Innovator score and the high performance score was .499, $p < .001$.

Step 3: Identify the Accelerators

The final step of the research analysis was to determine what specific leadership behaviors were driving both work innovation and performance. We selected a stepwise regression approach to test more than 25 company characteristics and behaviors to determine what regressed against both work innovation and performance. To be determined as an accelerator it had to show up in both models (work innovation and performance) as statistically significant and relevant, meaning the standardized beta coefficient was above 10%. The variables tested include organizational size, confidence in one's own digital skills, hiring from different locations,

engaging in recent layoffs, industry, level within the organization, outside vendor strategy for workforce management, and hybrid work strategy. Reported in the research findings are the four leadership behaviors that met our thresholds during the regression testing. We identified these as accelerators as they modeled as predictive in both being a Work Innovator and high performer in our sample.

About the Author: Dr. Kelly Monahan

Dr. Kelly Monahan is a managing director of The Upwork Research Institute, leading our future of work research program. Her research has been recognized and published in both applied and academic journals, including *MIT Sloan Management Review* and *Journal of Strategic Management*. In 2018, Kelly released her first book, *How Behavioral Economics Influences Management Decision-Making: A New Paradigm* (Academic Press/Elsevier Publishers). In 2019, Kelly gave her first TedX talk on the future of work. Kelly is frequently quoted in the media on talent decision-making and the future of work. She also has written more than a dozen publications and is a sought-after speaker on how to apply new management and talent models in knowledge-based organizations. Kelly holds a B.S. from Rochester Institute of Technology, an M.S. from Roberts Wesleyan College, and a Ph.D. in organizational leadership from Regent University.



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References

¹ For how we calculated a Work Innovator Company see our [Methodology](#).

² n=1,418 U.S. business leaders, survey fielded in May-June 2023. Q: “Which of the following best describes your organization’s primary strategic priority this year?”

³ The Upwork Research Institute created a performance index from the survey data using the following methodology. Six items were used to calculate an aggregate score from the following questions: “I have the right skills on my team to effectively meet our goals”; “My team is able to complete key initiatives on time”; “I work on a highly effective team”; “I am satisfied with my organization’s current financial performance”; “revenue growth index”; “I am confident in my organization’s future outlook”. A seven-point agreement scale was used, and high performers were considered those that scored a mean of six or above.

⁴ A great summary of some of the academic work done on leadership role modeling can be retrieved from <https://people-equation.com/leaders-as-role-models-research/>

⁵ A Disconnect in the Adoption of Generative AI” (June 2023). Retrieved from <https://www.upwork.com/blog/generative-ai-disconnect>

⁶ To learn more about how to apply gen AI at a systems level, we recommend reading Dr. Ajay Agrawal’s book, *Power & Prediction: The Disruptive Economics of Artificial Intelligence*, co-authored with Joshua Gans and Avi Goldfarb.

⁷ To learn more about the top in-demand gen AI skills on our platform, visit <https://www.upwork.com/blog/generative-ai-marketplace>

⁸ See “the Evolving Marketplace for Gen AI”: <https://www.upwork.com/blog/generative-ai-marketplace>

⁹ Qualitative research was conducted on 1,418 U.S. business decision-makers asking them to write down the first word that came to their mind when they thought of freelancer talent. The words reported above contained the biggest delta between our Work Innovators and their peers.

¹⁰ A stepwise regression model was run to determine the impact various company characteristics (e.g., industry, size, public) and company practices had on predicting the Work Innovator behaviors and company performance. A total of 25 variables were inputted into the model. The four practices found were significant in both models and contained a standardized beta coefficient greater than .125 to ensure the relevancy of the practice as well on performance outcomes.

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