



Upwork Study Finds Companies That Integrate Distributed Work, Flexible Talent Strategies, and Advanced Technology Achieve Better Financial Outcomes

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Data shows organizations refining operating models are driving innovation while seeing reduced expenses, positive cash flow, and stronger balance sheets

SAN FRANCISCO, Oct. 09, 2024 (GLOBE NEWSWIRE) -- [Upwork Inc.](#) (Nasdaq: UPWK), the world's work marketplace that connects businesses with independent talent across the globe, today released its latest [Work Innovators Report](#), revealing that companies integrating distributed work (remote, hybrid, and geographically dispersed models), flexible talent strategies (such as freelancers or contractors), and advanced technology (like AI or automation) are achieving better financial results compared to their peers. The research, based on a 2024 survey of 1,500 global business leaders and financial data from 2021-2023, finds that these high-performing companies—referred to as 'Work Innovators'—are adopting lean, scalable strategies by refining operating models, leading to innovation, reduced costs, positive free cash flow, and stronger financial health.

"For decades, the prevailing belief has been that to grow and deliver strong financial performance, companies must aggressively invest in high-cost innovation strategies. Our latest report challenges this narrative, showing that organizations no longer need massive budgets to lead their industries and exhibit strong financial performance," said Kelly Monahan, managing director of the Upwork Research Institute. "By focusing on internal innovation—embracing distributed work, leveraging flexible talent strategies, and integrating advanced technology—these companies, known as Work Innovators, are financially outperforming their competitors on the metrics that matter most in today's economic environment."

Key findings from the report include:

- **High-performing companies focusing on internal innovation are achieving better financial outcomes:**
 - **30% lower operating expenses:** Work Innovators significantly reduce operating costs by streamlining processes and enhancing operational efficiency, largely through the adoption of AI and automation.
 - **18% more likely to have positive free cash flow:** 57% of Work Innovators report positive free cash flow compared to just 39% of their peers.
 - **13% lower debt-to-equity ratio:** Work Innovators generate sufficient internal cash, reducing their reliance on debt. As a result, they maintain a healthier balance between liabilities and equity, which contributes to their overall financial stability and allows them to continue innovating while managing resources effectively.
- **Outdated approaches to workforce management are holding companies back from innovation, while high-performing companies prioritize enabling and engaging their people:**
 - Work Innovators focus on overcoming cultural barriers like resistance to change and lack of trust, with 60% making this a central focus compared to 36% of their peers. 79% of Work Innovators actively work to build trust and relationships across their workforce, while only 50% of other companies, those that do not fall within the Work Innovator category, focus on this.
- **There is a significant gap between AI adoption and workforce readiness; however, Work Innovators are bridging the gap by upskilling:**
 - Nearly half (46%) of business leaders report that only a small portion (1% to 25%) of their workforce is prepared to work alongside AI. 57% report that less than a quarter of their full-time employees are proficient in proactively using AI-based solutions for relevant work challenges.
 - Nearly 40% of Work Innovators focus on the convergence and integration of new technologies, compared to 23% of their peers. 63% of Work Innovator companies make workforce upskilling a central focus of technology implementation, compared to just 37% of non-Work Innovators.
- **High-performing companies achieve innovation by balancing internal and external resources:**
 - 85% of Work Innovators consider freelancers critical to reaching their organizational goals, compared to 65% of their peers. 91% of Work Innovators plan to ramp up their use of freelancers in the next year, outpacing the 71% of other companies that have similar plans.
 - Work Innovators are 61% more likely than their peers to engage with managed services partners to tackle their most pressing and complex business challenges.

To learn more about Work Innovators, access the full report, and engage with a customized Work Innovators AI chatbot that provides deeper insights into the research and answers questions about future of work trends, visit: <https://www.upwork.com/research/work-innovator/2024/>.

About the Survey

The Upwork Research Institute conducted a survey of 1,500 executives and C-suite leaders from Germany, India, and the United States in July 2024, representing the manufacturing, business & professional services, software & technology, retail & consumer goods and healthcare & medical

industries. A majority of the organizations represented were operating in up to 10 countries (mainly in Europe, Asia, and North America), generated up to \$9.9 billion in revenue in FY2023, and had over 5,000 employees worldwide. All executives had hiring responsibilities within their organization at the time of the survey.

Work Innovators were determined through a composite scale of items assessing organizations' practices around flexible work, distributed work models, and technology adoption. An exploratory factor analysis revealed one unified dimension underlying these items. A Work Innovator was considered to be a company in the highest quartile of scores on the composite scale. The extent to which being a Work Innovator drives financial outcomes was tested among all respondents using self-reported and public financial data, where available. Several econometric models were used to reveal the strength and statistical significance of the relationship between being a Work Innovator and company financial outcomes in 2021, 2022, and 2023.

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 large, 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 2023 across more than 10,000 skills in categories including website & app development, creative & design, data science & analytics, customer support, finance & accounting, consulting, and operations.

Learn more at upwork.com and join us on [LinkedIn](#), [Facebook](#), [Instagram](#), [TikTok](#) and [X](#).

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