

***HRM and Gig workers - Opportunities and Challenges***

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***Abstract:***

Workplace dynamics are fluctuating rapidly. Digitization is here to stay. Digital and mobile technologies are enormous influencers in the way work gets done. Gig work is looked at as an electronically enabled facility in which Gig workers look for small tasks and contracts through apps and websites that tie them with customers and process their fee. Gig platforms bring to these workers the convenience to choose when to work and decide on either to work remotely or in person.

Gig workers can take the choice of using these platforms to work full time or use them as a rare source of extra income. Workers here are professed as self-employed though at times they can be measured as personnel of the platform. While theorising HRM in the gig economy with an emphasis on the ecosystem perspective, the engagement relationship in the form of a dyadic employer-employee relationship should be considered. Here the multi-lateral relationships among intermediary platform, gig workers and requesters is researched. HRM in the context of gig ecosystem perspective is explored in this paper. HRM activities in the gig economy are intended to cover three key gig economy players namely, gig workers, requesters and intermediary platform firms. HRM activities of Acquisition, Development, Deployment and Retention are considered for the study here.

Keywords: HRM in Gig economy, gig workers, gig ecosystem,

***Introduction***

With the advancement of processes in organizations and the digital revolution, there is a constant evolution of the nature and significance of work. Work as of now is less contextual, modular, and in detail. (Ashford, Caza, & Reid, 2018; Corporaal et al., 2019; Stone, Deadrick, Lukaszewski, & Johnson, 2015). This development has created a different work process called as the Gig Economy

.Mobile and digital technologies are influencing the method in which work is done, in terms of tedious boring tasks.

The way of work is swayed mainly by digital technologies that allows both unskilled jobs and complicated tasks., that can be distributed by outside contractors. In the context of the Gig ecosystem perspective, primary HRM functions are explored here. It should be understood that an ecosystem mention a group of networked entities that are dependent on each other's accomplishments and activities and hence are controlled top down (Wareham et al., 2014; Jacobides et al., 2018). All the activities pertaining to HR create a challenge to this kind of work. The great recession was responsible for the usage of the term Gig Economy. This term describes the people who held multiple contingent jobs hired by temporary agencies and doing freelance work. Gig work has been redefined as contractual labour dependent on digital electronics in which gigsters find shorter assignments through the internet and websites that tie them to users and also process their payments. Gig platforms bring to these workers the convenience to choose when to work and decide on either to work remotely or in person .Platforms with an online presence link workers with persons or organizations that require goods, services, or labour. This is distinctive and different from contract work or agency employment. (Duggan et al., 2020; Katz and Krueger, 2019).

Gig workers can use these platforms for full-time work or use them as a source of additional income. The concept of HRM in the gig economy is the background of the ecosystem perspective, the dyadic employer-employee relationship has to be taken into account. The relationship between intermediary platform, gig worker and the requester is considered in this study.

### ***Gig Worker***

The Gig economy consisting of the gig workers and part time work arrangements has been under constant study. (Cappelli and Keller, 2013; Connelly and Gallagher, 2004). These digital platform models have been successfully used by Ola, Swiggy, Myntra, Jiomart etc. Employees are here seen as part time workers or contingent workers. The workers are unique in delivering services which are based on demand and in person. The platforms do not hire gig workers on a permanent basis and hence abstain from offering benefits like health insurance, leave benefits and insurance. (De Stefano, 2015). Work for the gig workers can be categorised under three categories as classified by Duggan et al. (2020) one is selling and leasing assets via a digital platform as in Amazon; second is the digitally mediated work which could be completed

and remotely done as in online teaching or consulting and finally app work which can be done via the digital platform and can also be finished locally.

### ***HRM in the context of GIG work***

HRM in the context of gig ecosystem perspective is explored here. Three key gig economy constituents namely gig workers, mediator platforms and requesters create the value in the HRM system, as initiators, implementers and recipients of the scope of HRM. Here the implementation of HRM activities is hinged on these three players. Virtual work is what is done in the area of HRM with the help of digital platforms, through a platform website or an app. This is irrespective of whether the tasks are in person or online. HRM in this context faces some significant challenges. Digital platforms are known for this. Gig workers are substantially distanced from the organization they are attached to and they are not emotionally involved in the business. Also, this implies that the quality of work, the frequency, quantity or the quality of work cannot be directly controlled. Platforms must use a quality control system which assures quality to customers to use and reuse the platforms and also attract enough number of gig workers who can be mobilised on demand. (Jabagi et al., 2019). The dyadic employer employee perspective is busted here, In the earlier models, the employers set the rules and the employees followed it, this not being the case with gig workers. Professionalism and quality is what is expected here, therefore HRM activities need a rethink to discuss and reformulate policies as there is a gap in employment relationships.

HRM activities of acquiring, motivating, developing and retaining are considered for study in this paper.

#### ***Acquisition:***

Talent acquisition is a major function of the HR department. It comprises of recruiting, tracking, selecting, on boarding, and training new employees. Organizations are made of the people it constitutes. Recruitment includes actions which classify, appeal and inspire people with the competencies to apply and accept job positions. The traditional methods of recruitment are fading out and social media platforms like LinkedIn, Instagram and Facebook are being extensively used as sources of recruitment. Job portals and organizational websites are other sources more commonly used.

To create an attractive platform for gig workers, incentives are provided to recruit a large pool of workers. Here platform organizations use the network of employees to attract and recruit employees. Word of mouth is another

interesting method of acquiring them. Special skills like flexibility and autonomy are sought-after attributes for these freelancers. Employer brand via social media is another way of attracting these employees. Big Data and AI powered algorithms has changed the way hiring managers look at their potential hires. Their strategy is usually fine-tuned to the needs of the candidates based on technology. Primarily digital platforms which foster the labour hire relationship are rarely defined as owner, labour hire firm, or employment agency. Digital platforms which foster contractual form of employment consider themselves as a meeting place, website (Ticona & Mateescu, 2018) that debatably deny the platform's role in providing employment services.

### ***Motivation:***

Employee motivation is understood as the energy, drive and enthusiasm that an employee brings to his workplace. Motivating gig workers is a challenge. The digital platform is deprived of the binary relationship that exists in a traditional contractual form of employment, that is between the contractor and the employer (Williams 2021). "Gig organizations (like other virtual organizations) must rely on gig-workers to self-organize and self-motivated to advance task achievement and organizational goals" (Wiesenfeld et al., 2001).

Gig workers have the liberty to choose their hours and also their employers. They choose to work for the most appealing employers. Flexible pay, sign on bonuses, milestone incentives are ways in which incentives can be designed. Including a menu of incentives and giving them the choice of the incentives based on their lifestyles and interests is one way of motivating them. As outworkers, these Gig workers are not loyal to a single organization long term. As self-employed workers or outworkers, platform workers are not committed to a single company long-term, The organizations hire them for gigs which are short term in nature but irrespective levies terms and conditions and forms of control that govern the employees' access to work (Graham et al., 2017; Veen et al., 2020).

### ***Development:***

Developing employees encompasses the learning and training that employees undergo to improve their skills and enhance their knowledge and careers. Gig workers are rarely present actually at work. Learning which is driven by self motivation, engaging and based on gig values has to be designed for this versatile workforce. L&D must orient gig workers to the strategy and purpose of the organization. (Berthon et al., 2005) Jiang and Iles (2011) recognised that

evolving value is one of the most significant measurement of organizational attractiveness and Employer Based Brand Equity (EBBE). Any mean of evolving value finally results in organizational commitment and employee satisfaction (Tansky & Cohen, 2001). Absence of professional openings and work connected factors effect turnover goals (Hausknecht, Rodda, & Howard, 2009). Freelancing offers a diversity of projects, exposure and encounters which help outworker's to grow their knowledge, skills and capabilities. L and D offers continuous improvement which is required by all employees to stay relevant to employer needs. Development initiatives can be used as a retention tool also. Gig organizations can hire the best of gig talent by offering learning experiences. The mindset of looking at gig workers as temporary and contractual workers must change. To create a people advantage, the developmental needs of these workers should be made a priority by the hiring gig organizations.

### ***Retention***

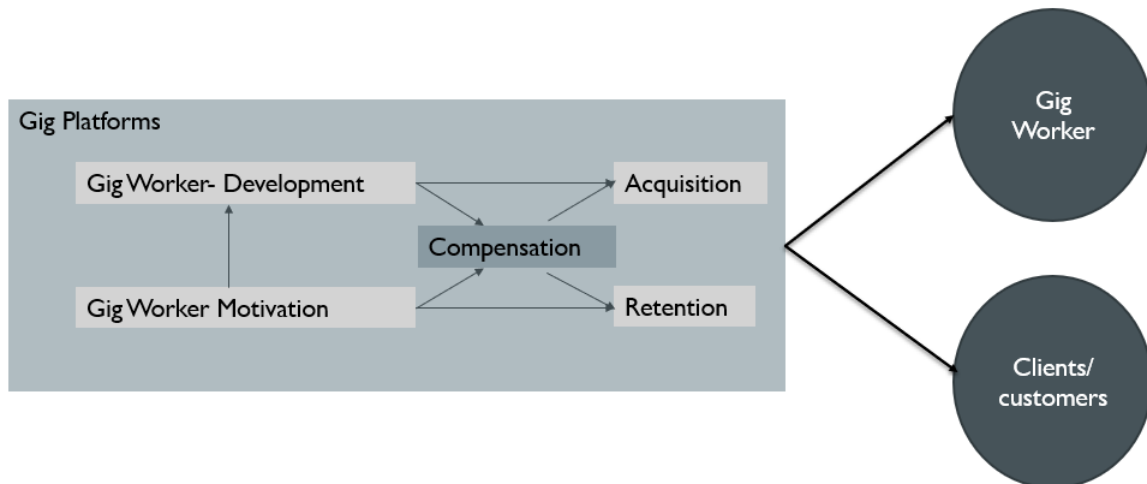
Keeping talented employees within the organization is called as retaining employees. The principal objective for retaining of employees is to prevent or stop its talented employees from exit (James & Mathew, 2012). Turnover is one of the biggest glitches of the HR department. Retention is a necessity for the development and permanency of a business entity. Das (1996) in their studies identified six critical factors of employee retention; Remuneration, Growth and development opportunity, job security, benefits, autonomy of work merit orientation, and faster perpendicular growth. Lifestyle flexibility can be an attractive proposition to retain gig workers. Employees can be empowered to switch off the work mode when they are with their near and dear ones. When this is highlighted chances of employee turnover is reduced and offer better job satisfaction. Perks and benefits like health insurance would keep them with the organization.

Gig workers have the ease of exiting from the organization and therefore these organizations become quite vulnerable. A digital labor platform that cannot entice and hold a adequate number of workers will not be attractive to users, which threatens the platform's long-term feasibility (Jabagi et al., 2018). Again supervising the gig workers is another challenge that managers face considering the ease with which they can leave the organization. Supervision for these app

workers is complicated as they offer a virtual service by means of an app or website (Kuhn and Maleki, 2017; Schmidt, 2017).

### ***Methodology-Conceptual Model***

The variables Acquisition, Retention, Development and Motivation are the main factors considered to understand the transformation of each HRM function in the context of Gig Platforms. The figure shows three players which are Gig worker, Customer, and the gig platforms. Gig workers who are acquired through advertisements with the available sources of work need to be retained. Retention is a contradicting concept to the concept of Gig itself. But platforms must retain their top-rated freelancer to ensure their own progress and reputation. Gig workers do not get training as the self-development goal rests with the worker.



### ***Conceptual Model- Researcher Derived***

Based on the above model the propositions are as follows:

Proposition 1: - Gig worker Motivation influences Acquisition and Retention of Gig workers on the platforms

Proposition 2: Gig worker development influences their acquisition and retention

The non-probability sampling technique is used here with convenience sampling method. A questionnaire was distributed and circulated amongst freelancers and data was collected. A dipstick study was conducted to understand the propositions of this Research paper.

The dip stick study involved a survey which was filled by freelancers. The survey was divided into Part A which captured demographic details and Part B which captured the data related to variables. Most of them are Part Time

freelancers. The questions asked were around four variables as mentioned which is Development, Motivation, Retention, and Acquisition. The years of experience as freelancers ranges from 1 to 10 years. Similarly, most of the freelancers were around 50 years of age largely in the field of teaching, or content development.

*Proposition 1: - Gig worker Motivation influences Acquisition and Retention of Gig workers on the platforms*

*Development:* Work related training which includes inductions, orientation and knowledge transfer is given to freelancers but when it comes to personal career growth and certifications, the freelancer is responsible. This concurs with Kost. Et.al. (2020). The responses confirm that gig workers motivate themselves towards self-development as the gig platforms do not focus on this part. It is rightly so as the main objective of gig platforms is to ensure it works effectively through enhanced algorithms to meet supply.

*Proposition 2: Gig worker Motivation influences Acquisition and retention of Gig workers on the platforms:*

*Motivation:* The factors which motivates freelancers are freedom to choose their outcomes /projects. They are free to discuss and they are encouraged by the client as well. They put in extra effort to deliver quality product as they get repeat business from existing clients.

***Discussions:***

Clients try to retain freelancers by continuously engaging them with new assignments and repeat business. The involvement of HR in taking care of wellbeing of the freelancers during and after the projects is limited. They cannot extend any of the benefits that are extended to normal employees. The responses show that getting a Gig as a freelancer is difficult. Freelancers find it difficult to acquire the right jobs using gig platforms. While the platforms support demand and supply, it is not easy to get a Gig. The next study can dig much deeper into the issue with Gig platforms.

The analysis of four variables shows that getting a gig is difficult through the platforms, the role of HR is limited but the trainings are given to freelancer only to enable completion of work unlike normal employees. The interpretation shows very intuitive and interesting results. Preliminary observational analysis of the responses shows that motivation is self driven and an effort has to be made to enhance their motivation through menu based incentives. While learning has to be made more accessible with the help of bite sized micro learning on their mobiles. While data on compensation was difficult to get in the

dip stick study. A future study can look at compensation and its effects on other variables in the model.

### ***Conclusions:***

Talent acquisition is a primary function of the HR department. Acquiring talented gig workers is a hard task. HR managers use Gig portals extensively to hire talented workers. For these workers finding the exact job is also daunting. Organizations hiring these workers should create a fast process from sourcing to on boarding. A culture of inclusiveness has to be created to foster emotional attachment in these workers. When they feel they belong to a particular community of workers their motivation levels would increase. Encouraging them to think diversely could motivate them to better performance and also act as a retainer. To be able to spot the impact a gig worker has on the work he is accomplishing and rewarding him for it should motivate these workers. Its time organizations built in a system for this.

Although for these workers, self learning is the development they should indulge in, integrating gig values in the design and creating an environment is one way of encouraging them to participate in learning programs. Remote learning offered on digital platforms would seem more appropriate for these contractual workers. Self learning programs with a mix of fun and learner engagement has to be designed. Considering gig workers use self owned devices for e-learning, the LMS should be designed in a way to ensure consistent performance.

Bite sized, micro learning is what is looked at for consumption of these workers, which is fast and easy to apply on the job. This should also enable gig workers to be able to learn on the go. Mobile learning modules can be created to enable gig workers learning on the mobile.

In retaining employees HR must create an environment for gigsters to come back and work for them. Creating an experience filled with positive engagement is the need of the hour. The gigsters would then talk about it to their peers and friends, again with the help of social media, influencers and brand ambassadors. Also, the good integration between gig workers and full-time employees ensures cohesion amongst them while allowing each of their ethos in understanding and respecting the individual workforce.

### ***Future Research:***

Future research can investigate multiple aspects of HRM for gig workers. The issues with platforms to match demand and supply needs to be explored. The HRM policies which are applicable to contractors can be studied to extend it to



Gig workers during the engagement phase. Similarly the retention policies, and innovative compensation policies can be explored which would help in repeat engagement of these workers

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