

# A Conceptual Study on the Role of Different Stakeholders of Gig Economy in Enhancing the Delighters and Neutralizing the Worries for the Gig Workers

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## Abstract

The global market is witnessing a new mode of business called the Gig Economy. Organizations are allowed to opt for short-term and temporary services from workers that will enable them to avail the services of workers as employees but without providing them the benefits of employees. Gig work as it exists today in India is highly attractive on various dimensions such as flexible working hours, cost-effectiveness, etc. but there exist several worries as well like social security, health insurance, etc. With high numbers of delighters and several pain points the workers are taking up gig work out of choice or necessity are different aspects of the study. It is, therefore, crucial to not only identify which 'delighters' to double down on, but also identify which pain points can be addressed to drive participation and enhance the pull factor of the gig economy. The paper relies on secondary data such as research papers, articles, and books on the gig economy for analysis, inference, and conclusion. The paper aims to understand, and identify the situations and constraints of the gig worker and bring them to the fore for the solutions to channel the benefits of the gig economy to the workers with the help of the different stakeholders.

Keywords: Gig economy, Gig workers, Delighters, Worries, Social security, Stakeholders

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## Introduction

A major challenge of a developing nation is job creation for young people across the globe which is further intensified by the global financial crisis due to the pandemic, which has hit this group hard. Although educational attainment has increased rapidly in recent years, employment remains elusive for many young Indians. Furthermore, the rapid technological disruptions taking place in the entire world are witnessing a new type of economy called the gig economy is offering employment where permanent employment is going to be extinct status and there is an increasing number of people working in it. The term "gig economy" refers to a developing economic paradigm in which businesses hire people on a part-time, flexible basis as opposed to full-time employees.

According to the NITI Aayog report 2022, The Gig Workforce in India: Estimates and Projections India had around 77 lakhs (7.7 million) gig workers in 2020-21.

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**Estimated Number of Gig Workers in Lakhs**

| Year    | No. of Gig workers (UPS) | No. of Gig workers (USS) | No. of Gig workers (UPSS) |
|---------|--------------------------|--------------------------|---------------------------|
| 2011-12 | 24.5                     | 0.7                      | 25.2                      |
| 2017-18 | 52.1                     | 0.5                      | 52.6                      |
| 2018-19 | 53.4                     | 0.5                      | 53.9                      |
| 2019-20 | 67.0                     | 1.1                      | 68.0                      |

(Source: India's Booming Gig and Platform Economy Perspectives and Recommendations on the Future of Work, June 2022)

As per the ASSOCHAM report,2020, the gig sector has the potential to grow to the US \$455 billion at a Compound Annual Growth Rate (CAGR) of 17% by year 2024. The potential of Indian gig economy is to add 1.25% to the Indian Gross Domestic Product (GDP) and 90 million jobs in the non-farm sectors of India can be generated.

According to the Economic Survey 2020-21, “the changing nature of work with the change in technology, the innovation in organisation structures, evolution of new economic activities, and evolving business models have grown the potential of the gig economy.” The survey also stated that digital platforms played a significant role in discovering job seekers and job providers in the absence of middlemen with Gig sector.

According to the Code on Social Security, 2020, gig workers are those who pursue careers outside of the typical employer-employee relationship. They are usually employed as casual workers, contractual workers, freelancers, or tend to be self-employed in rural as well as urban areas and might be changing the employment status of the youths to underemployed from unemployed.

**Objectives of the study**

- To understand the attraction and flaws of the gig economy from the perspective of gig workers in the Indian context.
- To explore how attraction can be enhanced and deficiencies can be minimized or eliminated by the stakeholders

**Scope of the study**

The paper focuses on exploring the attractions and distractions of the gig economy for gig workers. The aim finds out the remedies to eliminate the flaws of the

gig economy and enhancement of the attractions especially from the perspective of the gig work

**Review of literature**

Wood, et al., (2019) in their paper “Good Gig, Bad Gig: Autonomy and Algorithmic Control in the Global Gig Economy” reveal that algorithmic control is central to the operation of online labour platforms. Algorithmic management provides remote gig workers with formal control over where they work, workers may have little real choice but to work from home, leading the workers to lack of social contact and feelings of social isolation. In order to meet client demand, most workers had to work irregular hours. The autonomy and flexibility resulting from algorithmic control can lead to overwork, sleep deprivation, and exhaustion. Hence these mechanisms of control can also result in low pay, social isolation, working unsocial and irregular hours, overwork, sleep deprivation, and exhaustion.

Valerio De Stefano (2015) advocates fully recognizing the jobs of the gig economy from the perspective of labour protection. cooperation between regulators and labour market operators is crucial to maintain decent work conditions for workers in developing countries. The Voice of workers must not be overlooked for satisfying only the “consumer” part of the stakeholders. Stewart and Stanford (2017) considerable uncertainty regarding the scope of traditional regulations, minimum standards and remedies in the realm of irregular digitally mediated work. Regulators and policymakers should consider how to strengthen and expand the regulatory framework governing gig work. have identified five broad options for strengthening labour regulations in response to the challenge of the gig economy. t, researchers, policymakers and regulators should be eclectic and open-minded in pursuing any potential avenue for extending regulatory protections to gig work and workers.

Jabagi, et al., (2019). Considering its theoretical importance, future inquiry into the phenomena of gig-work and motivation is essential to support both gig-workers and organizational managers. The authors hope that this paper may further promote and enable such research how organizations can support the self-motivation of gig-workers through the thoughtful design of their digital labor platforms and the integration of two social media tools (namely, social networking and social badging

Janine Berg (2016), it provides an analysis of crowd workers' economic dependence on the platform, including the share of workers who depend on crowd work as their main source of income, as well as their working conditions, the problems they encounter while crowd working and their overall income security. Article recommends an alternative way of organizing work that can improve the income security of crowd workers as well as overall efficiency and productivity of crowd work. Article assesses the validity of many of the assumptions made about work in the on demand economy and analyses whether proposals advanced for improving workers' income security are sufficient for remedying current shortcomings.

Caza (2020) The study focused on the prevalence of gig work which is also being implemented in management education with all aspects of organizing and highlighted three broad areas for future investigation that is- how the gig economy may influence students, faculties, and universities also.

Michael David Maffei (2020) finds that more frequent interaction with other workers in online communities is associated with improved views of union instrumentality and interest in joining the association. These findings of the paper link together the fields of information sciences and industrial relations and a new institutional actor in modern industrial systems, the online worker network is suggested. This article suggests that digital communities have the capacity to build bonds between workers, create a sense of collective identity and set the foundation for future collective action. The technology responsible for the emergence of platforms appears to be connecting workers in new ways as well, and in doing so, may change the way workers view the role of unions in emerging types of work.

Kuhn, K. M., et .al., (2021) examines the intersection between traditional human resource management and the novel employment arrangements of the expanding gig economy. The paper explores and interrogate the unique features of human resource management (HRM) activities in the context of digital labour platforms. The paper has highlighted three unique features of the gig economy that reinforce the importance of HRM to understanding this business model and its broader impacts on individuals, businesses, and society. Specifically, digital labour platforms change our understanding of HRM theory and practice by instituting HRM without employment, by their heavy use of algorithmic management to automate HRM activities traditionally performed by human managers, and by pluralizing the number and type of (non-traditional) HRM actors that engage with gig workers and perform HRM activities.

McDonnell, A., et.al., (2021) explores the enactment of technologically mediated HRM in the gig economy. The paper makes the case for enhanced research efforts on HRM without employment relationships. The papers provide empirical insight on how A technologically mediated HRM is enacted in the gig economy. A variety of HRM activities deployed by digital platform organisations that gig workers are subject to including attraction, recruitment and selection, job quality, motivation and control provide an insight into how technology mediates the management of labour in gig work.

Kirven, A. (2018) examines the gig economy, the factors behind its success, and the issues for workers that have followed. The paper discusses some current proposals for creating a new regime of employment and labour laws for the gig economy.

Hossain, M. (2020) in his paper explored the phenomenon of the definitional dilemma in gig economy and other theoretical perspectives. It analyses stakeholders and their motivation to participate in the gig economy.

Eckhardt, G. M., et.al., (2019) in their article defines the sharing economy as a technologically enabled socioeconomic system with five key characteristics (i.e., temporary access, transfer of economic value, platform mediation, expanded consumer role, and crowdsourced

supply). The article aims to help marketing scholars to keep pace with the gig economy and shape its future direction.

## Research Methodology

Secondary data is used from various research papers and articles through the access of many websites to analyse, draw inferences and reach the conclusion.

## Stakeholders of the gig economy

### *Workers*

Because there are so many advantages for the workers in the gig economy, many people continue to enter and remain in it. A person who accepts hourly or part-time employment in a variety of fields, such as software development or event catering, even part-time professors are participants in the gig economy. Contingent employees, independent contractors, partners, and others are some prevalent nomenclatures used for them. The workers include platform workers who use any digital platform for their employment such as cab drivers, and delivery agents providing various services.

According to the social security code 2020, "gig worker" means a person who performs work or participates in a work arrangement and earns from such activities outside the traditional employer-employee relationship.

As per the Code, a platform worker means "a person engaged in or undertaking platform work".

### *Technology platform companies and the companies providing jobs:*

Technology platform companies have played an essential role in expanding the gig economy, facilitating direct transactions between consumers and producers, and offering flexible work schedules to workers.

### *Government:*

The government acts as a mediator between the other two stakeholders, gig workers, and companies. However, the extent to which the government

intervenes to complement the self-evolving gig economy varies from nation to nation.

### *Consumers:*

consumers are another critical stakeholder group in the gig economy, that shapes the conditions of gig work. Consumers' views and behaviours will both affect, and be affected by, broader contextual developments and the tenor of prevailing

## **Delighters or advantages of the gig economy for workers**

### *Flexibility and independence:*

Gig workers work according to their convenience as there are fewer restrictions than in a full-time job. They have flexibility in choosing their work hours, tasks, and locations with multiple companies to work with. Flexibility and independence are the very essences of the gig economy and the glue behind large numbers of workers working at gigs.

### *Convenient entry and exit:*

Finding simple jobs via different platforms is not a cumbersome process as in permanent jobs. As the work is task-based no exit barriers are there as well. Workers don't have to serve a notice period, wait for the experience, and relieving certificates.

### *Engagement for Low-skilled workers:*

Gig economy provides jobs to many low and semi-skilled workforce with minimum conditions.

### *Gain Experience:*

It enables young undergraduates to gather valuable work experience before joining formal employment.

### *Economical:*

Many gig workers work remotely and save costs (e.g., on office commute).

### *Opportunities for retired personnel:*

The gig economy is making it possible to work even after

retirement. Continue to stay productive and provide value from their experience

### **Disadvantages or pain points of the gig economy for workers**

#### *Lack of Job Security:*

Gig workers work on a daily basis, and can be terminated from their jobs without any prior notice.

#### *Accessible mostly to the urban:*

Potential workers residing in rural and remote areas have less access to internet services and digital technology. This has made the gig economy, largely an urban phenomenon.

#### *Inconsistency in income:*

As the income is based on the tasks there is no income if the workers didn't find tasks for themselves.

#### *Absence of benefits:*

Gig workers have no social security benefits from their employers. As employers do not treat them as employees rather different nomenclature such as partners, and independent contractors are used for the workers.

#### *No clear employment relationship:*

This is the main issue with the gig economy workers in India. The ambiguity for the rights of workers and the responsibilities of platform providers allows businesses to treat their gig workers as employees for the control they exert upon them, but without rendering any employees' benefits like insurance, medical benefits, employees' provident fund, bonus or gratuity, etc.

#### *Precarious work Conditions and heavy workload:*

The gig economy in the fundamental sense offers a work arrangement that works for everyone involved, but it is when the power dynamics come into the equation that the delicate balance is thrown off.

When the labor supply is high and more disposable, as, in the case of blue-collar workers in India, the gig workers have no power to influence payment offerings, work conditions, etc. This makes them remain financially vulnerable without a predictable salary, navigating an uncertain career path, etc.

For many gig workers in India, the low payment often pushes them to work longer than 8 hours and work on all days of the week. This reduces the advantage of 'flexible work' in gig economy.

#### *Lack of Grievance Redressal Mechanism (GRM):*

There is no proper GRM available to gig workers to solve their genuine problems.

#### *Absence of unions, low bargaining power, and collective bargaining:*

Platform workers have little or no voice. Technology has tilted the power and bargaining scales strongly in favor of the platform companies.

### **Role of the stakeholders in the improvement of the workers**

#### *Government*

Implementation of the Code on Social Security 2020 across the country: The SS Code 2020 defines and recognizes gig and platform workers and adopts a welfare-based approach toward social security and makes it obligatory and not mandatory for the central and state governments

#### *Imposing limits on intermediaries/Platform companies:*

Imposing certain limits by the Government on the intermediaries/Platform companies can prevent them from unilaterally acting against workers without notice resulting in giving gig workers more security and safeguarding them against unjustified terminations.

#### *Evolution of dispute resolution mechanism:*

A dispute resolution mechanism (Mediation-Arbitration) such as Australia's Fair Work Commission

impartial venue can be evolved to express and address the concerns of gig workers.

*Defining employer:*

The definition of an employer might also be expanded to include who bears responsibility for the social security of these workers. This would empower workers to establish collective organizations or unions and speak out against unfair labour practices such as decreased pay, increased control, and so on.

*Learning from global best practices:*

Amendments to labor laws in Ontario, California and EU have shown a move towards granting employee status to gig workers and guaranteeing minimum wage and welfare benefits.

*Platform companies/Employers*

Establishment of long-term relationships for short-term tasks: A conducive environment, words of appreciation and encouragement by the employers will make sure their gig workers come back to them for repeat tasks and build a lasting relationship with the workers in the long term.

*Offering different benefits:*

To attract and retain talent in the gig economy, employers can provide health benefits, wellness benefits, and other security benefits to their workers as there is no legal requirement in offering such benefits to the workers.

*Providing growth opportunities and Career advancement to the workers:*

Choosing flexibility in the job does not mean workers are disinterested in career growth. Providing the workers with opportunities for career development in their interests could motivate them to stay with the same company instead of looking for their next gig.

*Empowerment of workers by learning and training:*

Evolving and revamping the traditional methods of

learning and training is essential for the modern workforce. Evolved training strategies and learning material will help the learners to improve their skills and knowledge.

*Investment in technology:*

Recruiting in the gig economy, however, requires an even deeper understanding of digital hiring methods and the latest version of the technology. Technology makes it easier for them to find work and workers in the gig economy according to their requirements.

*Recognizing the workers:*

Everyone loves to be recognized for their hard work because of devoting so much time and energy to completing a task. To maintain their momentum and motivation always keep in mind to reward and recognize the gig workers.

**The workers themselves**

*Upskilling and reskilling:*

As the work environment very dynamic workers should keep on upskilling or reskilling themselves. They need to take responsibility for making their own lives relevant and enriching in the new economy. They need to take advantage of the enabling ecosystem that the Government and the companies they work for are providing in terms of learning opportunities.

*Evaluating the benefits of task-based work arrangements:*

Workers need to understand the importance and evaluate the benefits of contractual labor/project-based work arrangements. These new ways of working should be considered as relevant as any other type of employment and considered the primary source of income.

*Initiative:*

The trait one needs as a gig worker is to take initiative to take the opportunity and get to work.

### *Being assertive:*

A gig worker needs assertiveness because they have to be their own advocate as no one else is going to speak up for their welfare, grievances, etc.

### *Alternatives:*

The workers motivated toward alternatives are extremely flexible and like to keep their options open. They also tend to be creative and enjoy finding and creating new options for projects.

### *Willingness to learn:*

Skills matter in the gig economy. To thrive in this new economy, one must be willing to learn new things to diversify their services and income sources.

### *Consumers*

Consumers act as auditors and a force for better working conditions as ethical consumers raise their expectations and choices that could encourage platforms to improve their labour practices.

### **Conclusion**

There are many steps to be taken by every stakeholder of the gig economy to improve the precarious condition and for the benefit of the gig workers. Defining employment relationships, employers, empowerment of workers, upskilling and reskilling, and ethical consumers can help in making the gig economy more sustainable. In the new era of fourth industrial revolution, Gig economy is on rise and it has potential to bring huge number of benefits for developing countries like India. Challenges can be converted into opportunities with the help of collaboration among Government, workers, platforms and other stakeholders. The gig economy has its sets of pros and cons, and the benefits that it brings to the Indian economy makes it imperative for policymakers to reduce the cons. At last, any company or business cannot survive by putting their workers' rights, welfare and quality of work life on the back burner.

It should be remembered that even though gig worker is not traditional employee, they work for and represent

the organizations to the clients. A happy worker is a productive worker irrespective to the status of the worker whether Gig, platform, or a traditional worker.

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