

Do Managers Use Effective HR Practices For Managing Gig And Platform Economy Workers?– An Empirical Assessment

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ABSTRACT

Instead of the typical desk job, people want to work at jobs that are more comfortable and that they are passionate about 'Gigs' is nothing more than the work completed for various clients over a specific time period. Being something of a comparative association while carrying out the required tasks is not required. You get to decide whom you want to work with, where you want to work, and, obviously, when you want to work. Further, a platform worker is recognised as a type of gig worker, in that they are “a person engaged in or undertaking platform work, in which organisations or individuals use an online platform to access other organisations or individuals to solve specific problems or to provide specific services or any such other activities (Ministry of Labour and Employment, 2020). This study aims that understand the issues and difficulties that management will encounter as the gig economy grows, as well as the new strategies that HR managers will need to use to deal with this transition. Based on the research question, four variables have been used to analyze the effective HR practices for the gig and platform workers in Chennai. The findings of this study revealed that the present approach was not sufficient for the workers and found that demographic variables are a great influence on their perception of HR practices on job providers.

Keywords– Gig Workers, HR Practices, Independent Workforce, Platform Economy.

Introduction

The whole of the world today is subjected to quick changes, whether it be due to technical advancements or daily decision-making processes. With the shifting perspective, formal education, which is seen as a necessary condition for any kind of development and a technique to learn things scientifically, is also undergoing change. A shift in perspective has occurred as a result of the gig economy, the most recent trend that expects an increase in alternative or

freelance workers relative to full-time employment. The phrase "gig economy" refers to a labour market where temporary employment is common and businesses contract with independent contractors for ad hoc tasks. It appears that the gig and platform economy movement has started. There are several factors contributing to the rise in temporary employment, but one is that, in the computer age, the employment landscape is becoming more flexible and work should increasingly be feasible from anywhere, allowing activity and location to be separated. This suggests that workers who are outsourced have a choice between temporary jobs and work located all over the world, while employers can select the best candidates for certain tasks from a larger pool than what is available in some random place. With the increase of alternative employment and freelancing, which the research predicts would be more popular than full-time employment, it can be difficult to determine what should be included in the gig economy and what should be excluded. However, working through a digital platform is a major component of the gig economy (Smith and Leberstein, 2015; De Stefano, 2015). According to IBEF, MNCs are now using flexible hiring practices. More than 75 per cent of businesses currently employ fewer than 10 per cent of gig workers, but this number will inevitably increase. In the FMCG industry, as well as other associated industries, the future for such gig hiring may climb from 15 per cent in 2020 to roughly 70 per cent in another 5 years. The generation that is currently entering labour has a different attitude than their predecessors did.

About GIG and Platform Economy

The monotonous process of reporting to work from nine in the morning until five in the evening, Monday ennui, anxiety about performance reviews, and annoying team members are no longer commonplace in India. There are several factors to consider for the rise of short-term work. One of the key reasons is that in this age of digitization, the workforce is becoming more mobile and capable of working from any location in the world, eliminating the necessity for work and location to always be together. As a result, individuals employed as temporary employees are free to accept any short-term projects or jobs from any location in the world. Not only does this type of employment arrangement benefit the workers, but it also allows businesses the option of selecting the top candidates from a large pool of available talent in a certain area for special projects. The four industry categories with the most potential to create "gigable" jobs in the future were selected by the BCG study, over 70 million employees in the future would be

accommodated by the industries of construction, manufacturing, retail, transportation, and logistics. Other industries that are transitioning to gig work include textile, banking and financial services, electricity, gas, and water as well as real estate, IT and ITES, education, and personal services. The main reasons why many of them chose to undertake Gigs rather than stay in corporate jobs were a defined sequence of work, adaptability, a stroll of learning opportunities, and improved work-life balance. One in four consultants has a connection to India, according to a PayPal-led investigation, and 42 per cent of Indian specialists have experienced growth over the past year. Another survey research foresaw it as well, predicting that India's gig economy might reach \$20 to \$30 billion by 2025.

Research Question

What do managers for enhancing the Gig and Platform Economy Workers?

Aim of the study

1. To study the scope and challenges of Gig and Platform Economy Workers.
2. To find whether demographic characteristics have an influence on the perception of HR practices
3. To identify the effective HR practices enriching the Gig and Platform Economy Workers.

Methodology

In this study, the survey covered *IT & enabled*, media, and the food industry in Chennai. From their database, a random sample was chosen. A well-structured questionnaire was used to gather the data. The survey questionnaire was divided into two sections: demographic information and HR practices in the four subject areas of human resources. The questionnaire's second section employed five-point *Likert scale* (1 = Strongly disagree to 5 = Strongly agree). Finally, the inferential analysis as Chi-square and ANOVA test has been used for the research hypothesis.

Hypothesis

1. There is no association between age group and aspect of an employer-employee relationship
2. There is no association between the type of work and the aspect of working conditions provided by the organization
3. There are no statistically significant differences in the satisfaction levels of career planning & advancement among different experienced workers

4. There are no statistically significant differences in the satisfaction levels of performance management among different experienced workers

Scope of Gig and Platform Economy Workers

This economy gave a new insight into an alternate employment option that was growing as an alternative option. This option came as an aid for people being stressed out of overworking, without any flexibility, and fear of losing jobs made them toil. It was also a relief for the rising unemployment scenario, an urge for entrepreneurship is also been increasing among many of them, so this also gave an opportunity for many of them to have an income and also try a hand at the ideas they wanted to start with. Not only are people, but there are companies too who are adopting this practice, where most organizations are looking for cost-cutting, and with the introduction of Artificial Intelligence many roles will be automated, and traditional jobs will be replaced. Technological improvements have the potential to significantly reduce employment. Through online micro work and freelancing, it might be transformed into a chance where at least a portion of the millions of new and young workers may discover prospects for a living. It gives the large pool of unorganised labour in the nation, especially women, a chance. The platforms' flexibility may be well suited to the needs of a changing society that is searching for autonomous, rewarding livelihood choices that require a working element. (Kathuria R, Kedia M, Varma G, Bagchi K, Khullar S (2017))

Challenges

There is downside of a gig economy is that workers do not seem to be eligible for any social benefits such as insurance, medical benefits, employees' provident fund, bonus, and gratuity. They do not have any employment-related rights, except in some of their respective contracts. Not being a full-time employee of an establishment implies that an organization is not mandated to provide any social security or statutory benefits to an independent worker. Given the absence of an employer-employee relationship, are categorized as independent workers or independent contractors. On the social side, the common impression of online freelancing is often a significant barrier to expansion. The treatment of independent contractors as "second class" citizens in Indian society was brought up by a stakeholder. Older generations continue to view regular work as having greater stability and security than other options. This apparent mental rigidity may have detrimental long-term implications for the freelance market. This perception is

often reinforced by the irregularity in income for freelancers - in certain cases, they have to go without, and work for several months. It is commonly known that the gig economy is unsustainable. It lowers salaries, creates episodic working lives, it shifts risk onto regular people, which is a source of rising stress and mental illness. The benefits of pensions, sick leave, paid holidays, and parental leave are not included with gig labour.

HR Practices on Gig and Platform Economy Workers

In today's talent-based economy, companies have to acquire, develop, and accordingly manage world-class HR competencies and practices if they wish to survive and compete (Alshaikhly, 2017). Different HR configurations are needed to achieve a high level of firm performance (Sheppeck, M. A., & Militello, J. 2000). Also different types of HR practices generate different firm outcomes. This study proposed some of the major practices that require developing and controlling the gig and platform economy group (*Figure 1.1*).

1. Employer-Employee Relationship (EER)

The HR practices contend that employees have the same objective as employers and also emphasise the importance of the relationship between the organization and the individual employee rather than any group or authorized body. They exchange relationships evolve when employers take care of their employees, which in turn leads to beneficial consequences, such as positive employee attitudes, more effective work behavior, and high-quality relationships (Cropanzano & Mitchell, 2005). This study examines EER in terms of providing employee statutory, organized communication patterns, and other motivational aspects for the benefit of both of them.

2. Career Planning & Advancement (CPA)

Career planning and development are essential motivation and retention tools for full-time-based employees. However, it can be extended to gig and platform economy workers. Employees value greater autonomy, varied work, and opportunities to acquire new skills. To analyse this variable through the factors of guidance by line managers, clarity on job descriptions, and role ambiguity which helps to understand the position of CPA for these workers.

3. Working Conditions (WC)

The gig and platform economy provides freedom and flexibility to the workers in choosing their employers and mode of job engagement, in deciding their time and place of work. Job freedom

and flexibility are a trap to maximize the commoditization of labour, and shift the risks on workers from the economy. We examine this by understanding working conditions in terms of amenities, providing affordable materials, and safety and security mechanisms built in the platform economy.

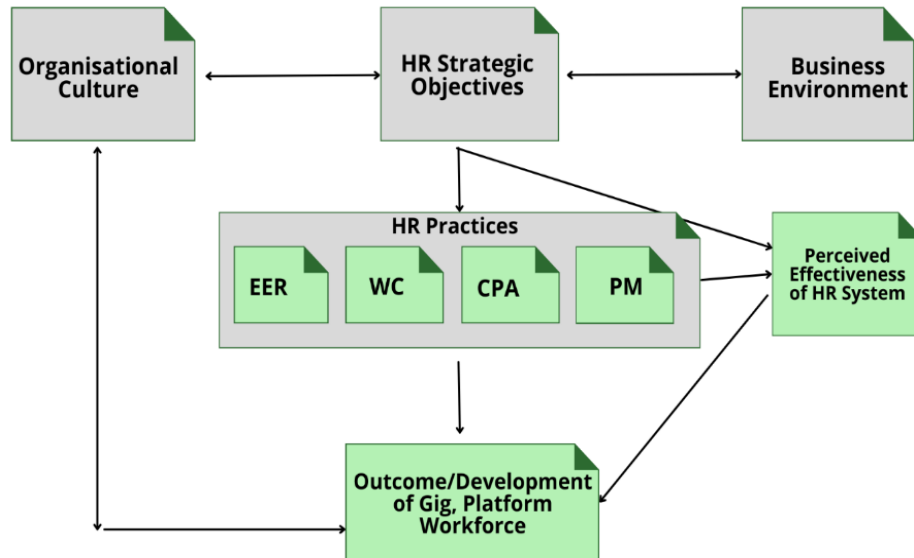


Figure 1.1 Proposed model of HR practices of Gig and Platform economy workers

4. Performance Management (PM)

The survey says, that tolerance for underperformance frequently emerges as a major source of dissatisfaction among employees. At the same time, to identify underperformance, organisations need to clarify for both managers and employees what constitutes an acceptable level of performance. Whereas, in terms of gig and platform economy performance reviews should focus far more on performance planning and improvement than on reviewing appraisal. The managers note that employees experience more knowledge in their domain by providing materials and applying individuals' performance rating system is the most suitable one.

Data Analysis

A total of 85 completed and usable questionnaires were received, yielding the average age group of the respondents ranging from 24 to 36 years. There are 64 percent were male and 36 percent were female, which shows that *male* is easily switched over and have access to this economy, there is 44 percent were *degree holders* who studied the core disciplines such as *computer* and

electrical, and it was clearly stated that platform economy was played well. The employment type of workers has occupied by *technical* at the rate of 76 percent showing that the gig and platform economy is more demanding on IT and related industries. There is a slightly equal proposition on the previous work type which is shared by *permanent* and *part-time* based workers caused the by Covid-19 pandemic has tremendously changed the permanent workers into gig and platform economy.

HR Practices	Mean
Employer-Employee Relationship	2.45
Career Planning & Advancement	2.61
Working Condition	3.45
Performance Management	2.13

Table 1.1 Combined mean values of HR Practices

Hypothesis Results

From the *SPSS*, using the *Chi-square* test for identifying the association between the *age group* of workers and their *relationship with employers*, is getting rejected due to the calculated value being less than 0.05, the age group such as *36 & above* has expected in a different manner among with other groups for in terms of *ensuring statutory provisions under the Contract Labour Regulation Act*, whereas other groups are expected in proper *communication with employers*. Further, this analysis is extended to find out whether the *type of work* has an association with to perception of *work conditions*, but fortunately, all of the workers give their opinion the same, where the null hypothesis is accepted due to the 1.87 of the calculated value. Commonly, everyone needs the designed work conditions it could be *technical or non-technical, indoor or outdoor*. The ANOVA was used to identify the significant differences among *experienced gig workers* for *career planning and advancement (CPA)*, their mean rank for *below 3 years* (n=39) is 272.58 and 324.34 for *3-6 years* (n=36) and 188.94 for *above 6 years* with *Chi-square* as 24.541, *df* 2 and the level of significance is 0.000 at 95 per cent confidence interval. Thus, the results of the test show a significant difference in the experience of a worker toward the perception of *CPA*. Hence, very new in an organization could not expect much in career plans it can slowly happen by learning and understanding the scope of the sector and their personal interest. Further, in the same *experience of workers* tested with *performance management (PM)*, the level of significance is 0.12 at a 95 per cent confidence interval. Thus, the results of the test

show no significant difference in the experience of a worker toward the perception of *PM*. The gig and platform workers have different types of work, motives, and experience in the job but all of them required nominal appraisal methods, providing materials, and monitoring them accordingly.

Research Answer

The overall mean of variables is 2.66 (see *Table 1.1*). It is evident that there are significant challenges to understanding human management in the context of gig and platform workers and the role of HR practices. While digital platforms deny the existence of a traditional employment relationship, they nevertheless impose various measures of control on workers to ensure proper work assignment and performance management (Duggan et al., 2020). The HR practices in the gig and platform economy, including *employer-employee relationships, work conditions, performance management, career planning & advancement*, can be impervious, and not readily communicated to workers, where recent techniques used, such as algorithmic management systems can limit workers' agency and relationship with an employer. In terms of relationships, HR is generally not obligated to comply with requirements, and consequently, workers are often in danger of earning below their local minimum wages, communication gap, especially motivational aspects when they spent limited time in the organization. The performance management of gig and platform workers is generally performed by a manager and causes insufficient analysis where it could be controlled through algorithms that are purportedly unbiased and efficient in work allocation. The other support of performance management generally focuses on performance improvement by providing essential materials.

Discussion

A diversity of HR practices organized by organisations that gig and platform workers are subject to including recruitment and selection, relationship with them, working conditions, career advancement, and control provide an insight into how HR and their behaviour mediates the management of labour in gig work. Considering working conditions are hugely maintained well in the companies, the implications for an employee-employer relationship, career planning & advancement, and performance management along with other HR policy and union responses will vary and will need to be tailored accordingly. While organisations seek several benefits from their gig and platform workforce, they do not appear to give adequate attention to the issue of

diversity practices and are very compliant. However, proactive diversity HR practices are essential to realise the true benefits of a gig economy workforce.

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