

Understanding The Role of HR In a Modern Day GIG Economy

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Abstract:

The concept of GIG economy became more relevant and common during the COVID pandemic. But before this crisis nobody had any idea of the GIG economy. It would be right to say the world was not ready for this paradigm shift. When the pandemic came the world was forced to start the concept of Work from Home. When they tend started on a large scale the HR managers were found clueless about recruiting for this economy. This paper deals with the role of HR for recruiting the right candidates for this situation and things they should be careful about and lay stress on.

Keywords: GIG economy Covid pandemic, work from Home HR managers remote working

1.0 Introduction: The gig economy is a recent trend. It is becoming popular because the workforce has become more mobile and work is increasingly done remotely using digital platforms. As a result, jobs and their locations are getting regularly disengaged. It means freelancers can take a job or project with an employer from any part of the world. At the same time, employers can select have the option of selecting the best manpower for a specific project from a larger pool than is available in any given geographical area. The gig economy is part of a shifting the cultural and business environment that also includes a gift economy, sharing economy, barter economy and relatively flexible jobs. The cultural impact of the gig economy continues to change; for example, the COVID-19 pandemic has had a significant effect on hiring trends. This research paper aims at analyzing the factors and related variables that have made the gig economy a life line for modern organizations in identifying manpower.

2.0 Defining a Gig Economy:

A. According to Mckinsey:

The gig economy refers to the workforce of people engaged in freelance and side-hustle work.

B. Ben Lutkevich and Alexander S. Gillis:

A gig economy is free market system in which temporary positions are common and organizations hire independent workers for short-term commitments. The term "gig" is a slang word for a job that lasts a specified period of time. Traditionally, the term was used by musicians to define a performance engagement.

3.0 Important characteristics of a gig Economy:

- a. The gig economy is based on the concept of flexible, temporary, or freelance jobs that often involve connecting the clients or customers using an online platform.

- b. The gig economy in real benefit workers, businesses, and consumers by making work more adaptable to the needs of the moment and the increasing demand for a flexible lifestyles or maintaining a suitable work life balance.
- c. The gig economy can have downsides due to the erosion as it can erode and damage the traditional economic relationships that exist between workers, businesses, and clients because of fact to face interactions.
- d. The existence of team work and cooperative working is difficult in a gig workforce for even their interactions are through machines leaving no scope for emotions and feelings amongst the co workers.

4.0 Literature review:

Literature review:

1. Report of Mckinsey Global Institute- Independent Work: Choice, necessity and the Gig Economy. (October 2016): In this report Mckinesy opined that The popular concept of work as a traditional 9-to-5 job with a single employer bears little resemblance to the way a substantial share of the workforce makes a living. Millions of the self-employed, freelancers, and temporary workers—as well as individuals renting out rooms on Air bnb, driving for Uber, or selling goods on eBay—are part of a significant trend that we call “independent work.” Although independent work has a long history, it has never been clearly defined or consistently measured in official labor statistics. This report aims to fill in that gap. We used government data and findings from other studies to estimate the size of the independent workforce. To get a deeper understanding, we undertook an extensive survey of more than 8,000 respondents in the United States, the United Kingdom, Germany, Sweden, France, and Spain.¹ Our goals were to size independent work and to understand who does it and why as well as how satisfied they are.

2. Andrew Stewart and Jim Stanford August, 2017: In their paper titled *Regulating work in the gig economy: What are the options?* The authors opine that the Paid work associated with digital platform businesses (in taxi, delivery, maintenance and other functions) embodies features which complicate the application of traditional labour regulations and employment standards. This article reviews the extent of this type of work in Australia, and its main characteristics. It then considers the applicability of existing employment regulations to these ‘gig’ jobs, citing both Australian and international legislation and case law. There is 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. The article notes five major options in this regard: enforcement of existing laws; clarifying or expanding definitions of ‘employment’; creating a new category of ‘independent worker’; creating rights for ‘workers’, not employees; and reconsidering the concept of an ‘employer’. We review the pros and cons of these approaches and urge regulators to be creative and ambitious in better protecting the minimum standards and conditions of workers in these situations.

3. Sarah Kaine and Emmanuel Josser, August 2019: wrote a paper under the title *The organization and experience of work in the gig economy* state that The gig economy has captured public and policy interest and is growing as an area of academic inquiry, prompting debate about the future of work, labour regulation, and the impact of technology and job quality. This special issue provides a timely intervention into that debate with this article providing an introductory overview, positioning the articles within a comprehensive literature review of existing scholarship on the gig economy. These articles add to our understanding of the organization and experience of work in the digitally enabled gig economy in a variety of national settings. They explore aspects such as job quality, forms of collectivity, identity development, and algorithmic management and control. This article also delineates avenues for further research regarding conditions for gig workers, the impact of gig work and information, technology and gig work.

5.0 Role of HR with regards to Gig Workers:

1. Research being done in the field of HR is increasingly pointing out to the growth in hiring of the alternative workforce. A lot of millennial are opting for traditional work patterns and are not at all afraid to take up chances for improving job satisfaction amongst their existing workforce. If we try to define the gig economy; it includes multiple types of alternative work arrangements such as independent contracts, online platform workers, contract workers, on-call workers and temporary workers. When we combine this with factors such as increased workplace flexibility, a global arena, distributed workforce, increasing advances being made in Artificial Intelligence tools, they all contribute to the future workplace making it essential for HR to account for these whenever they are planning for the future HR needs.

2. It is on account of choice and necessity, that employers are forced to choose to hire gig workers. In fact, the employers use alternative work patterns like working from home becoming a necessity due to COVID. If one looks at the present situation the gig workforce is only going to increase as more and more people try to seek self-employment. It is felt that any organization not employing gig workers at present will have to employ a significant number of gig workers in future as work for home tend is increasing gradually.

3. Manpower strategies are seen to be leaning towards the gig workforce since it generates additional benefits at present. For the gig starters, it is going to lower the company's salary expenses significantly along with other employee-related overheads and even resulting in the reduction of compliance costs as the numbers of employees on the roll are lower. Other than this, it provides a more agile and adaptable workforce, especially in the environment of increasing uncertainties in the current environment.

4. The fact of the matter that a gig economy is preferred by both the employers and employees. At this stage, I want to make a very important point that choosing to go the gig way must be evaluated in much detail as it has its own pros and cons. Simply transitioning to the gig way of work as a measure of cost control can bring with it many new challenges which in the long run will cost organizations dearly.

And once you are ready for the transition, the million dollar question is what sep HR needs to undertake for a smooth implementation of a gig workforce?

6.0 Steps needed by HR:

Discussed below are the essential tips that HR needs to initiate to hire efficient gig workers:

1. Begin with identifying suitable roles that can be gig-based:

The transition process begins with most organizations, be it small or large; opt for the contingent workforce only when they have a clearly defined job role and responsibilities. It is seen that these roles could be non-core roles which are project-based and have clear outcomes projected. For example; Accounting, IT, Administration, Social media management or highly skilled roles that may be project-based like setting up a Leave management system, etc. that can all be done by people with expertise and does not require the employees to be on the permanent payroll. The HR should identify such roles for gig worker allocation. The HR team also has to identify what is core to the business that may not be suitable for gig work, based on security parameters and confidentiality requirements. For instance, if a company has taken on an IT project for the government etc. it needs to keep in mind that it is not always so black and white either. For instance, a company may hire a full-time content writer, but if they need some content on a specific domain or product line quickly, they will prefer getting it done temporarily through gig workers.

2. Formulate clear policies for gig workers:

Last year, the Karnataka government decided to formulate policies to ensure better working conditions for gig economy workers, after they received many grievances from them. This was a big indication of gig work becoming more and more of a norm than an exception. Companies have to consider different policies or create an entity (committee) to ensure better protections in place for taxes or other issues that may arise. The different gigs may require a contract for each client and various policies to be enacted and followed based on the situation of the specific client. Some of the things companies have to include in the policy is to draw up clear engagement contracts, all-inclusive delivery-based payment terms, clear entry and exit norms, stipulated work period, consequences of non-delivery, separation policy, etc.

3. Review HR processes to prepare for the gig worker:

Just because the gig worker may be boarded for a shorter span only, skipping essential HR processes to begin work quickly will cause more harm to the project than aid in its completion. So the HR should adopt a go slow policy in this regards. Once proper policies are in place, HR needs to have proper strategies in place to make sure that contingent workers are on-boarded and welcomed, shown adequate appreciation and helped to become more engaged with their work, even if it means spending a few extra days to allow the gig worker to fit in.

4. Have clear recruitment processes in place for gig Worker recruitment:

The HR team has to ensure clear processes from recruiting gig workers to existing them. – The recruitment process may be smaller but in no way feeble. The on boarding of temporary or project-based workers could be simpler but it should not be not skipped and ignored. The HR team must also have a process in place to review the project with more frequent feedback, and not confuse it with performance management system. So yes, the HR seems to be thinking in the right direction, if they are contemplating setting up parallel systems in place for this workforce.

5. Train managers to use gig resources effectively:

There is always a period of transition involved when people change their recruitment policies. Gig workers can rattle a team, and managers should be sensitive to this threat. Managers are also unsure sometimes on this aspect. If the HR managers approach it wrong, with unrealistic expectations about overcoming the fears, and will sure end up stoking distrust in a team, despite their best intentions. Managers need to equip themselves and use gig resources effectively, so that they prove their worth to the organization.

6. Avoid having different perceptions on permanent and gig workers:

The HR managers must be properly trained and made aware to adopt a similar approach on the similarities and differences between permanent workers and gig workers. They need to be proficient enough at assessing talent and performance parameters and be able to retain them. Top talent needs to be retained, moved to more challenging assignments, and repurposed effectively if need to be continued as permanent workers after the end of the gig. This organization have workers who have a clear idea about the culture and practices followed by the entity. It would not require them to provide them time for getting familiar to the organization and thus save their cost. The more one is able to retain top talent, the more return the entity will get out of the recruitment and assimilation work. This applies to the gig workers too. The longer the retaining period for the talent, the more return the entity gets from the recruitment process.

7. Regularly communicate the purpose of on boarding gig workers:

When an entity is making a shift to using more temporary employees for different projects, it is extremely crucial to convey the reasons and benefits of this shift adapted by it to existing employees. In order to avoid unnecessary gossips or possible negative communication about the matter, it is essential to improve internal coordination and communication about why the company is using gig workers for certain roles and to set the expectations it has accordingly.

8. Increase trust by fulfilling the expectations of gig workers:

The Hr Managers should improve the trust of gig workers by fulfilling their expectations during the course of their association. The need to ensure there is regular communication that aims at talking to each other to develop and inculcate trust in each other. The HR managers should give the full-time and gig workers adequate opportunities to communicate their views through informal meetings and casually conversation, where they feel relaxed and open to communicate. Exchanges of information that will help enhance productivity and personal rapport should be encouraged. Teams that have temporary employees need to know exactly what each worker is meant to contribute to the project, so they can hold each other jointly accountable for the quality and collective success. Make sure the HR provides them with regular feedback which is important too. The need for regular recognition and feedback is not limited to how employees are paid, instead one should use positive reinforcement that motivates and engages while ensuring that the positive behaviour is repeated and shared with both for permanent and contingent workers.

9. Focus on culture-based training:

Organization culture is central to attracting high performing talent. This remain even when a company is looking at attracting good part-time talent. Everybody is keen to see results of the their work, to contribute to something that will benefit all the stakeholder and last long. HR Managers need to make the purpose of even short-term jobs are very clear for which some of the questions gig workers should be anticipated and be asked to themselves too such as:

- What is the purpose of our being here?
- What is the goal we intend to pursue?
- How will this affect the customers of the company?
- What makes the entity successful?

For this one should point to the team and divert their attention toward a shared objective that is larger than they can create a more equal platform quickly. This will ensure that core values are not compromised and work is done in a specific way.

10. Indicate to the gig workers that they are important to the organization:

All indications should be towards the gig workforce and should indicate that they are here to stay. The employers who tap this talent pipeline certainly have access to a pool of skilled and productive workers. Though the real success is in managing the hybrid workforce and this requires leaders to think differently about their existing employee management systems that can be made more effective if needed to motivate the gig workers. Organizations should realize and appreciate that cornerstone of success is to manage workers based on their human needs for coaching, feedback and recognition, and just not focus on their compensation alone.

11. Providing a great experience to the gig workers:

Organizations should provide a great experience for a temporary employee so ht if need be they are willing to get associated with the organization again. This implies that they may return next to the entity again depending on their mutual needs. It is presumed that this will eliminate the time and cost of searching for, interviewing and training another employee. An employee who enjoys their good and memorable stint will spread a good word about the company and can also act as an informal ambassador that is so important for enhancing the goodwill of the entity. The HR should remember the gig worker of today can be the company's top permanent employee in the near future. This can be useful in having a good framework for them.

7.0 Conclusion:

The role of HR is very important in recruiting and retaining the gig employees and paving the way for a healthy and prosperous future for both.

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