

EMPLOYEE COGNITION TOWARDS FINANCIAL ASPECTS OF GIG ECONOMY WITH REFERENCE TO TRIDOTSTECH PRIVATE LIMITED, CHENNAI

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ABSTRACT: *Gig economy is a labour market where companies employ freelancers for the temporary job requirements. By utilizing gig economy companies can reduce the cost as well as time requirement of recruitment through the digital platforms. Gig economy is beneficiary to the company in such a way that, eliminating insurance, bonus, incentives, provident fund, travelling allowances and other welfare amenities to the freelancers. This study focuses on the viewpoints of permanent employees towards the gig economy in financial aspects.*

Keywords: *Gig economy, Financial aspects, Cost of recruitment, Freelancers, Sham contract*

INTRODUCTION

Gig economy is a place at which companies hire temporary labours instead of permanent employees. It is a tendency of a company to hire independent contractors for the temporary labour requirements. Due to the rapid development of internet and apps like Uber, Airbnb gig economy has flourished. Millennial enter into the world of gig economy, due to as a beginning of their carrier.

Origin of Gig Economy

(Leslie Hook, 2015, December 29) The practice of gig economy has grown from the seed of jazz club musicians at the year of 1920. The workers of that club were not provided with welfare amenities like health care, pensions, paid holiday. Financial crisis during 2009, people pursued the temporary jobs wherever it was available. Now Gig economy is emerging based on these two origins.

Development of gig economy

(Larry Alton, 2018 Jan 24) The economic recession in 2008, the millennial found difficult to get the job. At that time, gig economy has provided the career path for them. Before the recession period millennial pursued their secured carrier. But after the recession period they have faced a massive challenge to survive in their own career. It was happened as a result of poor salary for the employees due to the drought state of the job market.

(Ruchira Chaudhary, 2018 Feb 11) The result of a survey conducted in 500 Indian companies' explores that, within the next 5 years one-third of the 500 companies in India will hire freelancers for their human resource requirements. In the last decade 94% of job growth in India was the impact of gig economy.

(Jia Wertz, 2018 Jan 23) Around 63% of freelancers started freelancing by their own choice. 50% of Millennial are part of the gig economy.

LEGAL PROCEEDINGS ISSUED AGAINST GIG ECONOMY

A case was filed against the courier company Hermes, as they exploited the rights of the workers. The U.K labour tribunal ensures the rights of all the workers of the country. It includes the rights involving guaranteed hours, sick pay, pension contributions.

LITERATURE REVIEW

(Nicole Torres, 2018) The alternative work arrangements of gig economy are the consequence of unemployment, lack of freedom, flexibility and financial gains. Gig economy is a bane to the human connection. Due to the over dependency of internet and mobile applications the interaction between humans will get affected in the gig economy.

(Michael Rawling and Sarah Kaine, 2018 Feb 14) Working in Gig economy is risky. The gig workers are under paid and excluded from retirement benefits.

(Hernan Galperin, 2018 Jan 3) The hiring in gig economy has gender discrimination. Men are given more privilege than women. Even though the recruiters who involved in the head hunting process are female, Male preference is higher. Irrespective of the gender of recruiters, women negotiate more for the pay when compared with men.

Adam C. Uzialko (2017) Members of Gig economy grab the lifestyle of working when and wherever. But they have to suffer due to the inconsistent income. It does not offer the job stability which is possible in the traditional employment provided by a particular company.

Vicki Salemi (2017) Freelancers of Gig economy can enjoy flexibility, selection of work based on the self-interest, potentiality of earning more, no workplace politics, working in every business aspects, ownership, no commute costs, handling different projects of different companies. On the other hand the gig workers were dumped by isolated environment, inconsistent income, dealing with multiple clients, no benefits, no unemployment benefits, misclassification and infrastructural facilities given by the company.

RESEARCH METHODOLOGY

Sampling technique

The samples are selected based on **random sampling technique**.

Tool for primary data collection

Questionnaires were given to the employees randomly taking into consideration based on their availability.

Sampling Unit

Respondents are **employees of TridotsTech private Limited, Chennai.**

Time period of study

The study was conducted within 3 months from March 2018 to May 2018.

Statistical tool used

- Percentage method
- Chi-square analysis

Limitations of the study

1. This study conducted in TridotsTech Private Limited, Chennai only.
2. Only 153 respondents are participated in this study.
3. Study depends on having access to people, organizations, or documents and, for whatever reason, access is denied or limited in some way, the reasons for this need to be described.

Objectives

1. To analyse the employee perception towards gig economy in financial aspects.
2. To analyse their view points on gig economy related to Cost benefit analysis, EMI, Loan sanction and 60 days payment window.
3. To analyse the effects of Gig economy on companies.

HYPOTHESIS

- There is no significant relationship between number of income and cost benefit analysis of freelancers

DATA ANALYSIS AND INTERPRETATION**1. Percentage method**

Demographic variables	Gender		Marital status		Age (Years)					Income (Rupees)			
	Male	Female	Married	Unmarried	Below 25	25-30	31-35	36-40	Above 40	Below 20,000	Between 20,000 to 25,000	Between 25,000 to 30,000	Above 30,000
Options													
Frequency	81	53	64	89	61	44	23	19	6	70	54	18	11
Percentage	52	47	42	58	40	29	15	12	3	46	35	12	7

Source: Primary Data

Companies prefer male employees instead of female employees in satisfying their human resource requirements. Most of the respondents were unmarried. Due to the work nature of the company, they expect unmarried candidates for their vacancies. IT field requires young bloods to be injected to magnify the innovativeness in the services provided by them. In that sense, most of the employees were belongs to below 25 age category. Maximum numbers of employees were compensated with below 25,000 rupees as their salary. To face the inflation and to improve their standard of living, salary hike is mandatory.

34% of respondents agree towards the statement that situation of people influences on deciding their career in freelancing. Majority of the respondents believes in the outside situations like financial requirements, family conditions and social status were influencing the situation of people to decide freelancing as their career.

26% of respondents accepted the payment settlement of freelancers in 60 days window will affect the life style of the freelancer in a negative way. 25% of respondents disagree towards the hardship in maintain the credit rate of a freelancer. Timely payment of the freelancers will help them to maintain their credit rating.

28% of respondents consider rejection of work without payment will make the freelancers to face financial struggles. It will affect them psychologically.

2. Chi-square analysis

Chi – square analysis Relationship between income and cost benefit analysis

Income /Cost benefit analysis of freelancers	Highly favourable	Favourable	Moderate	Unfavourable	Highly Unfavourable	Total
Below 20,000	12	30	11	6	11	70
Between 20,000 to 25,000	10	13	9	9	13	54
Between 25,000 to 30,000	7	4	2	5	0	18
Above 30,000	2	2	2	3	2	11
Total	31	49	24	23	26	153

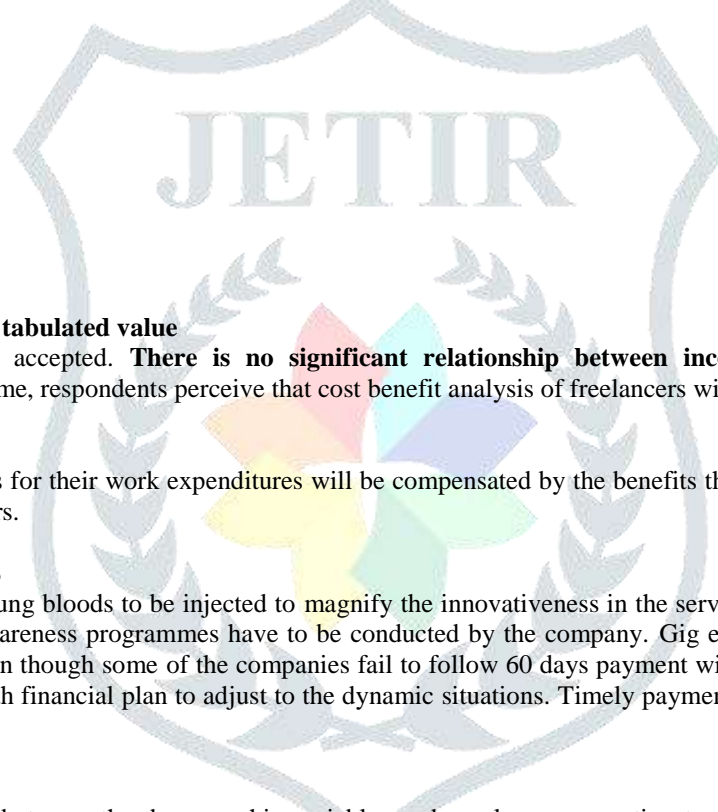
Source: Primary Data

$$\begin{aligned} \text{Degrees of freedom} &= (r-1)*(c-1) \\ &= (4-1)*(5-1) \\ &= 3*4 \\ &= 12 \end{aligned}$$

Level of significance = 0.05

Calculated value $\chi^2 = 18.49$

Tabulated value = 21.03



INTERPRETATION

Calculated value is lesser than the tabulated value

Hence Null hypothesis is accepted. **There is no significant relationship between income and cost benefit analysis of freelancers.** Irrespective of the income, respondents perceive that cost benefit analysis of freelancers will be favourable.

INFERENCE

Money spent by freelancers for their work expenditures will be compensated by the benefits they get through gig economy. So, gig economy is favourable for freelancers.

FINDINGS AND SUGGESTIONS

IT field requires young bloods to be injected to magnify the innovativeness in the services provided by them. Gig economy is going to develop in India, the awareness programmes have to be conducted by the company. Gig economy is favourable in the point of view of the permanent workers. Even though some of the companies fail to follow 60 days payment window, others follow the thumb rules. So, Freelancers have to be ready with financial plan to adjust to the dynamic situations. Timely payment of the freelancers will help them to maintain their credit rating.

CONCLUSION

In this study, the relationship between the demographic variables and employee perception towards different aspects like financial, psychological and ethical aspect is revealed. Employees believe that gig economy provides freedom, purchasing power, opportunity for multiple career paths, favourable results on cost-benefit analysis. On the other hand time automation, pay issues, negative reviews, out-dated government law are the challenges in maintaining career in gig economy. Members of Gig economy can gain get the shelter of law amendments of Government of India shortly. Gig economy is going to boom in future. So, advancement of current skills and knowledge, maintaining networks and income will help the freelancers to get the lime light in Gig economy.

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